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BEFORE THE ARIZONA CORPORATION COMMISSION

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GARY PIERCE

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AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. E-04204A-12-0504
UNS ELECTRIC, INC. FOR THE)
ESTABLISHMENT OF JUST AND)
REASONABLE RATES AND CHARGES) **NOTICE OF FILING**
DESIGNED TO REALIZE A REASONABLE)
RATE OF RETURN ON THE FAIR VALUE OF)
THE PROPERTIES OF UNS ELECTRIC, INC.)
DEVOTED TO ITS OPERATIONS)
THROUGHOUT THE STATE OF ARIZONA,)
AND FOR RELATED APPROVALS.)

UNS Electric, Inc., through undersigned counsel, hereby files the Direct Testimony of
Dallas J. Dukes in Support of the Settlement Agreement dated September 6, 2013.

RESPECTFULLY SUBMITTED this 20th day of September 2013.

UNS ELECTRIC, INC.

By

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Arizona Corporation Commission

DOCKETED

SEP 20 2013

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1 Original and 13 copies of the foregoing
2 filed this 20th day of September 2013, with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington Street
6 Phoenix, Arizona 85007

7 Copies of the foregoing hand-delivered/mailed
8 this 20th day of September 2013, to:

9 Dwight Nodes
10 Administrative Law Judge
11 Hearing Division
12 Arizona Corporation Commission
13 1200 West Washington
14 Phoenix, Arizona 85007

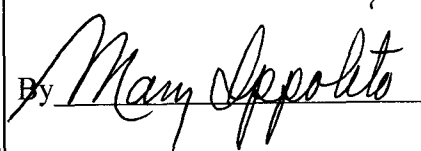
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THROUGHOUT THE STATE OF ARIZONA,)
AND FOR RELATED APPROVALS.

Direct Testimony of

Dallas J. Dukes

In Support of the Settlement Agreement

on Behalf of

UNS Electric, Inc.

September 20, 2013

TABLE OF CONTENTS

I.	Introduction.....	1
II.	Background and Summary.....	2
III.	Settlement Process	5
IV.	UNS Electric's Support of the Settlement	6
V.	Revenue Requirement.....	7
VI.	Revenue Allocation.....	9
VII.	Adjustor Mechanisms	10
	A. Purchased Power and Fuel Adjustment Clause	10
	B. Transmission Cost Adjustor.....	11
	C. Lost Fixed Cost Recovery Mechanism	13
VIII.	Energy Efficiency	15
IX.	Rate Design.....	16
	A. Overview.....	16
	B. Residential Rates.....	17
	C. Time-of-Use Rates	18
	D. Low-Income Rates	19
	E. Other Rate Design Issues	20
X.	Rules and Regulations and Statement of Charges	22
XI.	Other Settlement Agreement Provisions.....	23
XII.	Depreciation Rate for Photovoltaic Assets	25
XIII.	Conclusion	26

Exhibits

Exhibit DJD-3: UNS Electric Tariffs

1 **I. INTRODUCTION.**

2
3 **Q. Please state your name and business address.**

4 A. My name is Dallas J. Dukes and my business address is 88 East Broadway Blvd., Tucson,
5 Arizona 85701.

6
7 **Q. By whom are you employed and what are your duties and responsibilities?**

8 A. I am the Senior Director of Pricing and Economic Forecasting for Tucson Electric Power
9 Company ("TEP"). I am responsible for monitoring and determining revenue
10 requirements, customer pricing and rates structures for all the regulated subsidiaries of
11 UNS Energy Corporation ("UNS Energy"), including UNS Electric, Inc. ("UNS Electric"
12 or the "Company").

13
14 **Q. Have you submitted Direct Testimony in this proceeding?**

15 A. Yes. I submitted Direct Testimony with UNS Electric, Inc.'s ("UNS Electric" or
16 "Company") rate case application that was filed on December 31, 2012 in Docket No. E-
17 04204A-12-0504.

18
19 **Q. What is the purpose of your Testimony at this time?**

20 A. The purpose of my Testimony is to support the September 6, 2013 Settlement Agreement
21 ("Settlement Agreement") that was filed with the Arizona Corporation Commission
22 ("Commission") in this Docket. My testimony: i) describes the central factors
23 necessitating a base rate increase, ii) discusses the settlement process that the Company
24 undertook and its support for the Settlement Agreement, and iii) provides an overview of
25 the Settlement Agreement's key provisions.

1 **II. BACKGROUND AND SUMMARY.**

2
3 **Q. Would you please provide some context for why UNS Electric sought a rate increase**
4 **at this time?**

5 A. UNS Electric's current rates were established in Decision No. 71914 (September 10,
6 2010) ("2010 Rate Order"), based on a test year ending December 31, 2008, with rates
7 effective on October 1, 2010. As part of the 2010 Rate Order, the Commission allowed
8 for post-decision rate-base treatment of the Black Mountain Generating Station
9 ("BMGS"), provided that certain steps were completed regarding the acquisition of
10 BMGS. Further, the 2010 Rate Order required UNS Electric to file a rate application no
11 later than 12 months after the rate reclassification that uses a 12-month test year with data
12 that reflects BMGS in rate base at least six months during the test year. In Decision No.
13 72213 (March 3, 2011), the Commission determined that BMGS was fully operational, in
14 good condition, and confirmed the inclusion of BMGS in rate base without further order
15 of the Commission. UNS Electric obtained the necessary approval from the Federal
16 Energy Regulatory Commission ("FERC") to acquire BMGS on June 8, 2011. The
17 acquisition closed on July 1, 2011. Thus, UNS Electric was obligated to file a rate case
18 by July 1, 2012, a date that was later extended until December 31, 2012¹

19
20 There are two key factors underlying the need for an increase over existing rates: (i) an
21 increase in costs required to maintain safe, reliable service and comply with regulatory
22 mandates and (ii) a significant reduction in the level of sales growth in UNS Electric's
23 service area.

24
25
26
27 ¹ In Decision No. 72743 (January 20, 2012), the Commission granted UNS Electric's motion to extend the
rate case filing deadline contained in Decision No. 71914 to December 31, 2012.

1 First, UNS Electric's current rates, which were approved by the Commission in the 2010
2 Rate Order are based on costs incurred in 2008. Over the last 3.5 years, UNS Electric's
3 costs have increased, due primarily to necessary capital investments to maintain and, in
4 many areas, upgrade the reliability of its system. UNS Electric also has invested in solar
5 resources to meet the Commission's renewable energy requirement mandate. Since 2008,
6 UNS Electric's rate base has increased by \$23.6 million as a result of capital investment
7 (this excludes BMGS, which is already reflected in existing rates).

8
9 UNS Electric also has experienced rising costs of operating and maintaining the
10 Company's system. However, the Company's diligent efforts to control such costs have
11 limited the increase in operating and maintenance costs ("O&M") to only \$600,000 over
12 the prior test year. This increase in O&M expense represents an average annual increase of
13 less than 1% per year.

14
15 Second, UNS Electric's retail sales growth rate has decreased significantly since the last
16 test year and sales levels continue to experience downward pressure. In years past, the
17 rising costs borne by UNS Electric were mitigated by growing energy sales driven by an
18 expanding customer base and increasing use per-customer. That growth rate has declined
19 significantly due to weak economic conditions, the rising number of distributed generation
20 ("DG") resources installed in our service territory and increasing energy efficiency ("EE")
21 measures. The potential for renewed sales growth in the short-term will be challenging.
22 One of UNS Electric's large manufacturing customers has closed its production operations,
23 while other customers continue to look for ways to reduce their consumption or rely on
24 self-generated electricity.

1 **Q. Please summarize the terms and provisions included in the Settlement Agreement.**

2 A. Under the terms of the Settlement Agreement, the average residential customer's average
3 monthly bill would increase by approximately \$0.41 upon the effective date of new rates.
4 The total non-fuel base rate increase of \$3,186,000 is significantly less than the
5 \$7,522,000 originally sought by UNS Electric. Section 1.7 of the Settlement Agreement
6 asks that the Commission approve the new rates to become effective on January 1, 2014.

7
8 The Settlement Agreement includes two new adjustor mechanisms: a Lost Fixed Cost
9 Recovery ("LFCR") mechanism that limits lost fixed cost recovery to revenues that are
10 measurably lost because of EE or DG, and a Transmission Cost Adjustor ("TCA")
11 mechanism that allows the Company to recover in a timely manner its transmission costs
12 associated with serving retail customers at the level approved by FERC. Both of these
13 adjustors are very similar to adjustors that the Commission has approved for other
14 electric utilities.

15
16 The Company's existing Purchased Power and Fuel Adjustment Clause ("PPFAC") is
17 being modified to reflect a 12 month rolling average of actual fuel and purchased power
18 costs. The PPFAC rate will now be adjusted on a monthly basis, which will smooth the
19 impact of changes to such costs and allow the Company's customers to avoid a
20 potentially sharp annual adjustment. Moreover, broker fees related to procurement of
21 fuel and purchased power will now be collected through the PPFAC rather than through
22 base rates.

23
24 Finally, the Settlement Agreement includes provisions regarding rate design, low income
25 programs, additional operation requirements, modifications to certain existing
26 compliance requirements and revisions to the Company's Rules and Regulations.

1 **III. SETTLEMENT PROCESS.**

2
3 **Q. Please provide an overview of the settlement process.**

4 A. There are four parties to this docket: UNS Electric, Utilities Division Staff, RUCO and
5 Nucor Corporation ("Nucor"). On May 17, 2013 prior to the commencement of the
6 formal settlement process, UNS Electric invited all interested parties to attend a technical
7 conferences that addressed all elements of this rate case. Information regarding the topics
8 of the technical conferences was made available at the technical conferences and posted
9 to the Company's internet-based rate case data room for review and download for those
10 interested parties that could not attend in person. Pursuant to the Procedural Order issued
11 in this Docket, formal settlement discussions were noticed and began on July 29, 2013,
12 after Direct Testimony was filed by Staff and other intervening parties.

13
14 All parties to the docket participated in the settlement discussions and a settlement in
15 principle was quickly reached among all parties. Thereafter, the final details of the
16 Settlement Agreement were negotiated and incorporated into a definitive draft. All
17 parties were given the opportunity to review and comment on the Settlement Agreement
18 before it was finalized, and given the opportunity to become Signatories to the Settlement
19 Agreement before it was filed on September 6, 2013.

20
21 **Q. Do you believe that the settlement discussions were open, transparent and inclusive?**

22 A. Yes. Moreover, although there were not a large number of parties in this docket, those
23 parties represented diverse interests. Those diverse interests resulted in compromises that
24 are reflected in the Settlement Agreement.

1 **IV. UNS ELECTRIC'S SUPPORT OF THE SETTLEMENT.**

2
3 **Q. Please discuss the reasons why UNS Electric supports the Settlement Agreement.**

4 A. There are several reasons why the Company supports this settlement. First, the terms of
5 the Settlement Agreement made it possible for the Company to settle for a more moderate
6 base rate increase and results in an increase in the average residential customer's average
7 monthly bill of approximately 41 cents. While the total non-fuel base rate increase is less
8 than half of what UNS Electric requested in its application, the other terms of the
9 Settlement Agreement, as well as the timeliness of this process, allowed the Company to
10 accept this lower increase.

11
12 Second, UNS Electric can support this level of base rate increase due to the adjustor
13 mechanisms that are included in the Settlement Agreement (LFCR, TCA) which will
14 provide for recovery of some costs between rate cases, as well to "smooth out" the rate
15 impact for our customers.

16
17 Third, the settlement process that was conducted in this proceeding was open, transparent
18 and inclusive. All parties to the docket are signatories to the settlement and represent
19 diverse public interests. Moreover, concerns of parties not formally at the table, such as
20 low-income customers, were considered and included in the Settlement Agreement. The
21 Signatories believe that the Settlement Agreement satisfactorily addresses their divergent
22 issues and is in the public interest.

23
24 Fourth, the rate design that the Settlement Agreement adopts will benefit all of UNS
25 Electric's customers. For example, the average residential customer will see an average
26 monthly bill increase by only 41 cents upon implementation of the new rates; low income
27 customers will be able to maintain their existing rate structure while receiving the same

1 average base rate increase as other residential customers; and small commercial
2 customers will receive a lower proportional increase, and possibly a decrease depending
3 on usage.
4

5 **V. REVENUE REQUIREMENT.**
6

7 **Q. Please describe the revenue requirement agreed to in the Settlement Agreement.**

8 A. As set forth in Paragraph 2.1 of the Settlement Agreement, UNS Electric will receive a
9 non-fuel base rate increase of \$3,186,000 over adjusted test-year retail revenues. This
10 compares to \$7,522,000 requested by UNS Electric in its application in this docket.
11

12 **Q. What are some of the major facets of the agreed-upon revenue requirement?**

13 A. Attachment "A" to the Settlement Agreement sets forth the adjustments to UNS Electric's
14 initial revenue requirement that resulted in the Settlement Agreement revenue requirement.
15 This is the result of negotiations principally with Commission Staff and RUCO, which are
16 the parties in the docket that addressed revenue requirement in their Direct Testimony.
17 The adjustments reflect many of the adjustments that had been proposed in direct
18 testimony by Staff and RUCO.
19

20 **Q. What is the cost of capital under the Settlement Agreement?**

21 A. As set forth in Section IV of the Settlement Agreement, UNS Electric's return on common
22 equity ("ROE") will be 9.5% and its embedded cost of debt will be 5.97%. Using the
23 Company's actual test-year capital structure and a return on the fair value increment of rate
24 base of 0.50%, the Settlement Agreement adopts a fair value rate of return of 6.02%.
25
26
27

1 The agreed upon ROE is significantly lower than the 10.50% initially requested by UNS
2 Electric in this case or the 9.75% approved in the Company's last rate case. The fair value
3 rate of return is lower than the 6.18% approved in UNS Electric's last rate case.
4

5 **Q. How does the non-fuel revenue increase benefit UNS Electric?**

6 A. As set forth in the Company's Application and Direct Testimony in this case, increased
7 revenue is important. UNS Electric is facing a significant increase in its capital spending
8 needs for transmission and distribution facilities over the next several years. Much of
9 this increase in capital spending is due to the planned upgrade of transmission facilities
10 serving Santa Cruz County. These expenditures will result in a significant increase to the
11 Company's fixed costs that are not reflected in this rate application. Other notable risks
12 faced by UNS Electric include the Company's reliance on natural gas and wholesale
13 power markets to meet most of the energy needs of its customers, as well as the large
14 amount of long-term debt maturing in 2015. Preserving the Company's investment-grade
15 credit rating is critical - UNS Electric will need to refinance \$80 million of long-term
16 debt maturing in August 2015. Since the cost of debt is a significant component of UNS
17 Electric's revenue requirement, it is clearly in the interest of both the Company and its
18 customers for UNS Electric to maintain or improve the investment grade Baa2 credit
19 rating assigned to its senior debt obligations.
20

21 UNS Electric believes that the increased revenue provided through the Settlement
22 Agreement will allow it to: (i) continue to provide safe and reliable service; (ii) have a
23 reasonable opportunity to recover its full cost of service, including an agreed-upon return
24 on invested capital; and (iii) maintain or improve its credit rating, all of which will
25 benefit UNS Electric and its customers.
26
27

1 **VI. REVENUE ALLOCATION.**

2
3 **Q. How did the Signatories agree to spread the revenue increase across customer**
4 **classes?**

5 A. Attachment "B" to the Settlement Agreement shows the base rate non-fuel increase of
6 \$3,186,000 million and the base rate fuel increase of \$11,348,000 allocated to each major
7 customer class (including residential, small general service, large general service, large
8 power, lighting and interruptible). In aggregate, the base rate non-fuel revenue change
9 averages 2% compared to test year base revenues. When the increased base fuel revenues
10 are included, the aggregate revenue increase is approximately 9%.

11
12 The actual distribution between the major classes ranged from an increase of
13 approximately 8.9% to 10.3% to the adjusted test year revenues, with lighting receiving an
14 approximate 11.6% increase. Small General Service and Large General Service may
15 appear to be outliers in Attachment "B" to the Settlement Agreement because the increase
16 allocated to those classes when compared to adjusted test year revenues is 17.2% and
17 6.2%, respectively. However, this is the result of including the revenue impact of the
18 anticipated migration of 400 customers from the LGS class to the SGS class due to the
19 change in rate design. These migrating customers will result in a large revenue shift from
20 the LGS class to the SGS class. Because Attachment "B" is designed to compare proposed
21 revenues to test year revenues, the percentage changes do not truly reflect actual bill
22 impacts. In fact, although the SGS allocated percentage appears to be a much larger
23 increase than the other classes, the actual rates being proposed will decrease many SGS
24 customer bills when compared to the current rates.

1 **VII. ADJUSTOR MECHANISMS.**

2
3 **A. Purchased Power and Fuel Adjustment Clause.**

4
5 **Q. Please provide a description of the modifications to the Purchased Power and Fuel**
6 **Adjustment Clause (PPFAC).**

7 A. In its Application, UNS Electric had requested modifications to its PPFAC design. Those
8 modifications were intended primarily to recover *all* of its fuel and purchased power
9 costs through the PPFAC and to develop multiple PPFAC rates. However, in its direct
10 testimony, Staff raised concerns about those modifications, as well as the annual PPFAC
11 rate adjustment under UNS Electric's existing PPFAC. Under the current form of
12 PPFAC, the PPFAC rate has changed significantly (both up and down) at the time of its
13 annual reset. In fact, the most recent reset was phased in over two rate changes in light of
14 the magnitude of the rate change.²

15
16 As a result of Staff's concerns, the Settlement Agreement proposes the adoption of a
17 PPFAC that resembles a purchased gas adjustor used by gas utilities. The PPFAC rate
18 will be: (i) based on a twelve-month rolling average of actual fuel and purchased power
19 costs and (ii) adjusted on a monthly basis. This form of PPFAC makes sense given that
20 UNS Electric does not own significant generation capacity and meets a large percentage
21 of its demand through wholesale power purchases. It also eliminates the potential for the
22 large changes in the PPFAC rate that result from an annual rate adjustment. Attachment
23 "C" to the Settlement Agreement is the Plan of Administration ("POA") that sets forth
24 how the PPFAC will operate. As set forth in Section 5.2 of the Settlement Agreement
25 (and included in the POA), the PPFAC has a "band" that will limit the amount that the
26 total average fuel rate (*i.e.* base fuel rate plus PPFAC rate) can change on a monthly basis

27

² See Decision No. 73886 (May 9, 2013).

1 by only 0.83%. It also includes a "trigger" that will require the Company to file for a
2 PPFAC credit if the PPFAC bank balance is overcollected by \$10 million. Both of these
3 provisions protect the ratepayers.

4
5 **Q. Are there other changes to the PPFAC?**

6 A. The PPFAC will now allow UNS Electric to recover broker fees related to the
7 procurement of fuel and purchased power through the PPFAC, not through base rates.
8 This consistent with what the Commission recently approved for TEP's PPFAC.

9
10 **Q. Does the Settlement Agreement establish a new PPFAC rate?**

11 A. Yes. On the effective date of new rates, the PPFAC rate will be reset at zero. Moreover,
12 as set forth in Section 5.1 of the Settlement Agreement, UNS Electric will continue to
13 recover a portion of its base fuel and purchased power costs through a base fuel rate. The
14 average retail base fuel rate will be set at \$0.05706 per kWh.

15
16 **B. Transmission Cost Adjustor.**

17
18 **Q. Please describe the Transmission Cost Adjustor ("TCA").**

19 A. The TCA is a mechanism that will allow UNS Electric more timely recovery of
20 transmission costs associated with serving retail customers at the level approved by
21 FERC. UNS Electric's proposed base rates include a transmission component based on
22 the Company's current Open Access Transmission Tariff ("OATT"). The FERC-
23 approved OATT rates are designed to recover transmission costs from users of the UNS
24 Electric transmission facilities. The OATT rates are updated and recalculated annually
25 through a FERC-approved formula using data contained in UNS Electric's FERC Form 1
26 filing. The TCA will enable UNS Electric to recover future changes in transmission costs
27 on a more timely basis, as reflected in the OATT rate.

1
2 Attachment "E" to the Settlement Agreement is the POA for the TCA. The TCA will be
3 limited to the recovery (or refund) of costs associated with *future* changes in UNS
4 Electric's OATT rate. The revised TCA will reflect the annual change in transmission
5 costs, as reflected in UNS Electric's annual FERC Form 1 filing, and the corresponding
6 changes in the formula rate. For those customers that do not have a demand component,
7 the TCA will be a monthly kWh charge; for those that are "demand-billed", the TCA will
8 be a per-kW charge.
9

10 **Q. How will UNS Electric's customers benefit from adoption of the TCA?**

11 A. The timely recovery of costs required to provide transmission services to retail customers
12 will provide necessary cash flow to help UNS Electric finance transmission capital
13 additions and support its current investment grade credit ratings. Stable cash flows and
14 an investment grade credit rating help to lower financing costs for the benefit of our
15 customers. The TCA, like the PPFAC, would provide retail customers with more
16 accurate price signals. Additionally, the implementation of the TCA will help smooth the
17 rate impact of increased transmission costs by allowing those increasing costs to be
18 gradually added between rate cases.
19

20 **Q. Has the Commission previously approved a TCA mechanism?**

21 A. Yes. In Decision No. 67744 (April 7, 2005), the Commission approved a TCA for
22 Arizona Public Service ("APS"). Decision No. 73183 (May 24, 2012) modified the TCA
23 process for APS. APS's TCA ties the collection of transmission costs to the costs found
24 in APS's FERC-approved OATT. UNS Electric's TCA has been modeled after the
25 modified APS TCA.
26
27

1 **C. Lost Fixed Cost Recovery Mechanism.**

2
3 **Q. Please describe the Lost Fixed Cost Recovery mechanism proposed in the**
4 **Settlement Agreement.**

5 A. The LFCR is a mechanism narrowly tailored to collect distribution and transmission
6 service costs that would have been recovered through usage lost to EE programs and DG
7 systems. It is not intended to recover lost fixed costs attributable to other factors, such as
8 generation, weather or general economic conditions. As such, it is not a full decoupling
9 mechanism. The LFCR will have a 1% year-over-year cap based on total applicable
10 UNS Electric retail revenues and is similar to the LFCR approved by the Commission for
11 other Arizona utilities. The POA for UNS Electric's LFCR is set forth in Attachment "D"
12 to the Settlement Agreement.

13
14 The LFCR will be applied to all customers' bills through a percentage based rate,
15 excluding lighting customers. For the customer class exempted from the LFCR, rates are
16 designed to collect their fair share of the fixed costs through their monthly minimum
17 and/or demand charge.

18
19 Residential customers who do not want to be charged the standard LFCR variable rate
20 charge based on a percentage of their bill will have the option of choosing a fixed,
21 monthly LFCR charge. The Company will implement a customer education and outreach
22 program to help customers understand the new LFCR and available options.

23
24 **Q. What is the fixed charge option for residential customers who choose to not**
25 **participate based on the standard LFCR?**

26 A. As Section 7.6 of the Settlement Agreement shows, the fixed charge option rate is \$2.50
27 with usage less than 2,000 kWh – and \$6.50 with usage of 2,000 kWh or more. This fixed

1 charge option ("opt-out" rate) is a modest increase to the monthly customer charge that
2 gives residential customers the flexibility to determine how they want to pay for fixed
3 costs not recovered through base rates. The agreed-upon fixed charge option design is
4 simple to administer and is designed to only recover average incremental unrecovered
5 fixed costs. This opt-out rate is identical to the opt-out rate the Commission recently
6 approved for TEP and similar to other Commission-approved opt-out rates for other
7 utilities.³ This charge will be effective with the first LFCR adjustment, which is
8 anticipated to be July 1, 2014.

9
10 **Q. Does the LFCR tariff provide the ability to switch between the LFCR surcharge and**
11 **the fixed charge options?**

12 A. Yes. As set forth in the tariff, a customer may switch once at any time during the first year
13 of the LFCR tariff. After the first year, a customer must remain on an option for at least
14 twelve months before switching.

15
16 **Q. Why is the LFCR necessary for UNS Electric?**

17 A. UNS Electric's current rate structure is designed to recover the Company's authorized
18 revenue requirement primarily through usage-based kWh sales. The volumetric rate
19 charged for those sales is calculated based on the system-wide usage, based largely on the
20 sales volumes experienced during the rate case test year. A majority of the costs included
21 in the Company's revenue requirement, however, do not vary with kWh sales, but are
22 fixed in nature.

23
24 Given the current rate structure, when kWh sales decline as a result of EE programs and
25 DG systems, UNS Electric is unable to recover the fixed distribution and transmission
26 costs that are embedded in its volumetric-based rates. As a result, without a mechanism
27

³ Decision No. 73912 (June 27, 2013).

1 in place to capture and recover these lost revenues, UNS Electric's rates are inadequate as
2 they do not provide the Company with a reasonable opportunity to recover certain costs
3 or achieve its Commission-authorized rate of return.
4

5 **VIII. ENERGY EFFICIENCY.**
6

7 **Q. How does the Settlement Agreement address energy efficiency?**

8 A. Although UNS Electric had proposed the adoption of an Energy Efficiency Resource Plan
9 in its Application, the Settlement Agreement does not adopt that proposal. Rather, as set
10 forth in Section VI, the Company will implement the Energy Efficiency Implementation
11 Plan that the Commission approves in Docket No. E-04204A-12-0219, which is a typical
12 form of implementation plan.
13

14 Moreover, Section 6.2 of the Settlement Agreement sets forth a modified performance
15 incentive that is tied to actual energy savings. The performance incentive is identical to the
16 performance incentive recently approved by the Commission for TEP.⁴ The Settlement
17 Agreement expressly notes that the performance incentive may be changed by the
18 Commission in a future proceeding outside of a rate case, such as an implementation plan
19 proceeding.
20
21
22
23
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26
27

⁴ Decision No. 73912 (June 27, 2013).

1 **IX. RATE DESIGN.**

2
3 **A. Overview.**

4
5 **Q. Please summarize the rate design that the Signatories agreed to in the Settlement**
6 **Agreement.**

7 A. Attachment "G" to the Settlement Agreement sets forth a summary of the changes to the
8 Company's rate design. The agreed-upon rate design includes consolidating and
9 simplifying the Company's rate offerings so that the tariffs are more closely aligned with
10 its Class Cost of Service Study ("CCOSS") while incorporating many other important rate
11 design factors. The Settlement Agreement adopts modest increases to the monthly
12 customer charge for each customer class, which allows for recovery of a greater share of
13 the Company's fixed costs through fixed charges. This approach will assist UNS Electric
14 in promoting conservation, will reduce the future magnitude of lost fixed cost recovery,
15 and will facilitate greater revenue stability.

16
17 The Company's TOU tariffs are being modified in a way that will make them less
18 confusing and more appealing to customers. The changes include: (i) modifying the peak
19 times to incent additional participation under the tariffs; (ii) eliminating the shoulder
20 period for all TOU rate classes; and (iii) eliminating the rate tiers.

21
22 The Settlement Agreement also adjusts the rate schedules for large customers with a
23 demand charge – by adjusting the demand charges to better reflect the cost to serve,
24 modifying the "ratchet" to be consistent across these classes, and adjusting the per-kWh or
25 "energy" charge for these customers, which in some instances included a decrease.

1 All of these rate design changes lead to a more balanced and equitable rate impact on all
2 customers while reducing the administrative burden and costs for the Company (and
3 ultimately to the customers.) In short, the agreed-upon rate design is a reasonable
4 compromise of the diverse interests in this case.
5

6 **Q. Were the tariffs resulting from the rate design included with the Settlement**
7 **Agreement on September 6, 2013?**

8 A. No. However, I have attached the final tariffs, which include both the bundled and
9 unbundled rates, as **Exhibit DJD-3**. The tariffs that were initially filed with the
10 Company's application have since been updated and clarified to conform with the
11 Settlement Agreement. The Company requests that the tariffs attached here as **Exhibit**
12 **DJD-3** be approved by the order in this docket.
13

14 **B. Residential Rates.**
15

16 **Q. What are some of the key components of the standard residential rate design?**

17 A. The Residential R-01 schedule is designed to provide the Company an opportunity to
18 obtain the allocated revenue requirement for this customer class, while providing the
19 customer with ample opportunity to control the size of the electric bill. The components of
20 that design that help achieve those goals include the following:

- 21 • An increase in the monthly customer charge to \$10.00 from \$8.00. The Company's
22 original request was for an increase to \$10.50.
- 23 • A three-tier inverted block energy (per-kWh) rate structure (not including base fuel
24 and purchased power charges): (1) under 400 kWh; (2) between 401 and 1000
25 kWh; and (3) over 1000 kWh.
- 26 • A base fuel and purchased power charge included in base rates.
27

1 **Q. Could you please provide an overview of the bill impacts of the residential rates**
2 **proposed by the Settlement Agreement?**

3 A. Yes. Attachment "B" to the Settlement Agreement shows that the average monthly bill
4 impact for the average residential customer (850 kWh monthly usage) will be \$0.41 after
5 the reduced DSM surcharge is factored in. Even without the reduced DSM surcharge, the
6 average monthly bill impact for the average residential customer would be less than \$2.00
7 per month. The percentage bill impact will vary depending on the amount of energy the
8 customer uses, but as Attachment "B" sets forth, the bill impact, *before the reduced DSM*
9 *surcharge is factored in*, will be approximately 6% for those customers with very low
10 usage and significantly lower (in the range of 2%) for customers with energy usage closer
11 to what a typical customer consumes.

12
13 **C. Time-of-Use Rates.**
14

15 **Q. What are some of the changes to the TOU rate structures in general?**

16 A. The Company has modified its TOU rates to better match the needs of a particular
17 customer class and provide more incentive for customers to take service under the TOU
18 tariffs. Attachment "G" to the Settlement Agreement sets forth the current design of TOU
19 rates and the new design proposed by the Settlement Agreement in more detail.
20

21 **Q. Please describe the main changes to the residential TOU rates.**

22 A. The Settlement Agreement adopts a simplified TOU rate for residential customers that the
23 Company hopes is more attractive for customers and will result in greater participation.
24 The residential TOU rate reflects the elimination of the shoulder rate and the two-tiered
25 rate that is currently in effect for the residential TOU customer. Additionally, the off-peak
26 hours have been increased.
27

1 The monthly customer charge for the TOU residential rate schedules is also increasing
2 modestly but less than what the Company originally proposed. TEP had proposed an
3 increase to \$12.50, but the agreed-upon rates in the Settlement Agreement only increases
4 the monthly customer charge to \$11.50 from the current customer charge of \$8.00.
5

6 **Q. Please describe the main changes to the non-residential TOU rates.**

7 A. For non-residential customers, UNS Electric also has eliminated the shoulder periods and
8 increased the off-peak periods. The monthly charges also have been increased for each
9 non-residential rate.
10

11 **D. Low-Income Rates.**
12

13 **Q. How is the agreed-upon rate design sensitive to the needs and difficulties of low-**
14 **income customers?**

15 A. We understand that low-income customers are especially vulnerable to rate increases, and
16 we have continually sought ways to mitigate the impacts they incur while trying to update
17 and modernize rates in accordance with other relevant and important factors. We believe
18 we have struck an acceptable balance to these sometimes-competing factors in many
19 significant ways:

- 20 • The CARES customer charge will increase from \$3.50 per month to \$4.90 per
21 month. CARES customers will also continue to receive varying percentage
22 discounts off of the per kWh energy rate.
- 23 • Although the CARES Medical rate will be frozen and no longer available for new
24 customer accounts, the standard CARES rate will continue to be available to all
25 new qualified customers.
26
27

- CARES customers will continue to pay the REST surcharge. Moreover, they will now be subject to the PPFAC, TCA and LFCR charges. However, CARES customers will continue to *not* be assessed any DSM surcharges.

As a result, most low-income customers will see a monthly bill impact of less than \$2. Attachment "B" to the Settlement Agreement details the bill impacts for low-income customers.

Q. Why is the CARES Medical rate being eliminated for new customer accounts?

A. UNS Electric only has a handful of CARES Medical customers. Existing CARES Medical customers will continue to receive service under the existing, but now frozen tariff. However, any new customers that might have qualified for CARES Medical will receive their discount under the standard CARES tariff. This will simplify the tariffs, eliminate the challenges of certifying the medical conditions of applicants and reduce administrative costs, while at the same time providing an appropriate discount for those customers.

E. Other Rate Design Issues.

Q. There were some differences of opinion over the demand ratchet that the Company discussed in some detail in its direct filing. How was the demand ratchet issue resolved?

A. For those Large General Service customers with a demand component in their bill, the Signatories agreed to a demand ratchet of 75%. A ratchet is a billing provision under which the demand charge for each month is based on the highest measured or billed demand over a period of time in the previous year. UNS Electric had originally requested an increase to 100%, but agreed to settle on 75%. Even so, this will better ensure a stable

1 level of demand revenue and more closely align the cost recovery with the cost causer.
2 This is coupled with increases in the demand charges and mitigating the magnitude of the
3 increase in the energy charges for these customers. Large Power Service customers will
4 continue to have a 100% ratchet.

5
6 **Q. Has the Company agreed to submit additional new or revised tariffs beyond those**
7 **attached as part of Exhibit DJD-3?**

8 A. Yes, there are two additional tariffs. Pursuant to Section 15.4 of the Settlement
9 Agreement, the Company has committed to working with the Signatories to develop a
10 “super-peak” rate tariff and a revised partial requirement service (“PRS”) tariffs.

11
12 Because these new tariffs will replace existing “super-peak” and Qualifying Facilities
13 (“QF”) tariffs, the Company had proposed eliminating these existing tariffs. Currently,
14 there are no customers on those rates. However, the Company has agreed to update the
15 existing QF tariffs to reflect increases in the rate components being adopted in the
16 Settlement Agreement and to continue to offer the updated QF rates until the new PRS
17 tariffs are approved.

18
19 **Q. Finally regarding rate design, does the Settlement Agreement contain a provision that**
20 **allows for an examination of any unintended effects of the rate design?**

21 A. Yes. I note that this rate design was carefully crafted to incorporate divergent interests and
22 we do not anticipate that there will be any unexpected impacts to any customer class or
23 group. Having said that, we understand that having a mechanism in place to address that
24 occurrence is important in this instance where there is a lot of rate consolidation and
25 significant change occurring. Therefore, the Company has agreed to leave the docket open
26 until January 1, 2015 for the express purpose of possibly adjusting specific tariffs to
27 correct for unanticipated customer impacts, which are not consistent with the public

1 interest. Any such changes, however, must be revenue neutral so that the Company's non-
2 fuel revenue requirement is not adversely impacted. A similar provision was included in
3 the TEP Settlement Agreement that was recently approved by the Commission.⁵
4

5 **X. RULES AND REGULATIONS AND STATEMENT OF CHARGES.**
6

7 **Q. What are the changes to the Company's Rules and Regulations?**

8 A. The changes to the Rules and Regulations are largely as the Company proposed in its
9 December 31, 2012 Application. Most of the changes were "clean-up" in nature as they
10 eliminated inconsistencies and ambiguities that occurred over time. Many of the
11 modifications also are intended to modernize UNS Electric's Rules and Regulations and to
12 clarify areas in the Rules and Regulations that have caused undue customer confusion.
13 The more substantive changes were discussed in the Direct Testimony of Lindy Sheehey
14 filed with the rate case Application. Additional revisions were incorporated as a result of
15 the settlement negotiations (in particular to the liability limitation provisions), and to
16 conform the Company's Rules and Regulations to TEP's recently approved Rules and
17 Regulations. Attachment "H" to the Settlement Agreement sets forth the revised Rules and
18 Regulations.
19

20 **Q. Have the Company and Staff agreed on the "Statement of Additional Charges"?**

21 A. Similar to the Rules and Regulations, the changes to the Statement of Charges are largely
22 as the Company proposed in its Application. The agreed-upon Statement of Charges is set
23 forth in Attachment "I" to the Settlement Agreement.
24
25
26
27

⁵ Decision No. 73912 (June 27, 2013).

1 **XI. OTHER SETTLEMENT AGREEMENT PROVISIONS.**

2
3 **Q. The Settlement Agreement also resolves several issues that are not related to revenue**
4 **requirement or adjustor mechanisms. Please address those provisions.**

5 A. The testimony of the various parties to this case raised several issues that were not directly
6 related to the immediate revenue requirement issues. The Settlement Agreement includes
7 provisions as to how to resolve those issues or how to address those issues in the future.

8
9 **Q. What is the purpose of Section IX of the Settlement Agreement regarding**
10 **Operational Requirements?**

11 A. As a result its review of UNS Electric operations, the Staff's consultants made several
12 operational recommendations. The Company has agreed to adopt the recommendations set
13 forth in Attachment "F" to the Settlement Agreement.

14
15 **Q. Please explain Section XIII eliminating the GreenWatts Tariff.**

16 A. Under its approved REST plan, UNS Electric offers a community solar program known as
17 "Bright Arizona." This program provides benefits similar to those offered under the
18 GreenWatts tariff. In order to simplify the Company's rate offerings, we are eliminating
19 the duplicative GreenWatts program. The Commission recently approved the elimination
20 of TEP's GreenWatts tariff.

21
22 **Q. Why are certain reporting requirements being eliminated or modified under Section**
23 **XIV of the Settlement Agreement?**

24 A. Some previous Commission orders included compliance requirements without any
25 "sunset" date. Other orders required compliance filings that are duplicative of other
26 requirements. The one reporting requirements that is being eliminated dates from 1978.
27 The reporting requirements that are being modified result in consolidation of multiple

1 requirements for efficiency purposes. Attachment "J" to the Settlement Agreements set
2 forth the specific information for each change.

3
4 **Q. Section XV of the Settlement Agreement sets forth several additional settlement**
5 **provisions. Could you please explain the purpose of those provisions?**

6 A. This section includes provisions to address several issues that arose during the course of
7 the settlement discussions, but which are not necessarily being resolved as part of this
8 docket.

9
10 Paragraph 15.1 is intended to require the Company to evaluate additional interruptible
11 service rates in its next general rate case.

12
13 Paragraph 15.2 requires UNS Electric to evaluate the impact of using a different billing
14 demand methodology in its next rate case.

15
16 Paragraph 15.3 requires UNS Electric to file its next general rate case no later than July 1,
17 2017, using a 2016 test year. This will ensure that Paragraphs 15.1 and 15.2 are addressed
18 in a timely manner.

19
20 Paragraph 15.4 requires the filing of the two new tariffs addressed above in the Rate
21 Design section.

1 **XII. DEPRECIATION RATE FOR PHOTOVOLTAIC ASSETS.**

2
3 **Q. Are there any issues that are not expressly addressed by the Settlement Agreement?**

4 A. Yes, there is one minor issue that requires the Commission approval in addition to the
5 Settlement Agreement. UNS Electric needs to have the Commission approve the
6 appropriate service life and depreciation rate for solar photovoltaic ("PV") assets.

7
8 UNS Electric began installing PV systems in 2011 to comply with renewable energy
9 mandates approved by the Commission. In November, installation of a 1.22 MW PV
10 system was installed at the location of La Senita Elementary School in Kingman.
11 Powered by SOLON systems and modules, the facility will provide a faster, more cost-
12 effective way for UNS Electric to integrate solar power into its renewable energy
13 portfolio. The Company plans on complying with the Commission's renewable energy
14 standards through cost-effective investments in PV and other renewable generation
15 capacity, which the Company also indicated in its Integrated Resource Plan ("IRP") filed
16 with the Commission in April 2012.

17
18 **Q. How have these solar assets been depreciated?**

19 A. UNS Electric has just begun deploying such technology, so there is no historical
20 retirement data upon which the base an expected service life. It is noted that UNS
21 Electric affiliate TEP has been deploying such technology since 1998 and also has no
22 retirement data upon which to base a depreciation rate. However, TEP has been
23 depreciating its PV assets at a rate of 5% per year, based on an estimated 20-year service
24 life, since the first solar installation in 1998.

1 **Q. What is UNS Electric requesting regarding PV facilities?**

2 A. The Company request that the Commission approve the use of the 20-year service life,
3 and corresponding 5% depreciation rate, with no Negative Net Salvage factor until
4 sufficient retirements occur to support the use of some other depreciation rate. UNS
5 Electric has contacted the other parties to the docket regarding this issue. Staff agrees
6 with the Company's proposal and both RUCO and Nucor do not oppose the proposal.
7

8 **XIII. CONCLUSION.**
9

10 **Q. Do you have any concluding remarks?**

11 A. UNS Electric believes that the Settlement Agreement sets forth a balanced resolution of
12 the issues in this case. Although UNS Electric will receive less than half of the revenue
13 increase it was seeking, the Settlement Agreement also includes mechanisms that will
14 allow timely recovery of the Company's service costs in ways that generate smoother,
15 more moderate rate changes. These modifications will help our customers manage their
16 energy expenses while providing UNS Electric with a reasonable opportunity to earn its
17 Commission-authorized return on its investment in safe and reliable service. As a result,
18 the Company believes the Settlement Agreement is in the public interest and should be
19 approved by the Commission such that the resulting rates may become effective on
20 January 1, 2014.
21

22 **Q. Does this conclude your Direct Testimony in support of the Settlement Agreement?**

23 A. Yes.
24
25
26
27

EXHIBIT

DJD-3



UNS Electric, Inc.

Original Sheet No.: 101

Superseding:

Residential Service (RES-01)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all single-phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Standard

Customer Charge and minimum bill \$10.00 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge with usage less than 2,000 kWh \$12.50 per month

Customer Charge with usage of 2,000 kWh or more \$16.50 per month

Energy Charges (per kWh):

	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
0 - 400 kWh	\$0.019300	\$0.064510	Varies	\$0.083810
401 - 1,000 kWh	\$0.034350	\$0.064510	Varies	\$0.098860
Over 1,000 kWh	\$0.036610	\$0.064510	Varies	\$0.101120

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery, Generation Capacity and Transmission.
2. The Power Supply Charge shall be comprised of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rate Rider-1. The PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold. Please see Rider-1 for current rate.
3. Total is calculated above for illustrative purposes, and excludes PPFAC, because the PPFAC changes monthly pursuant to Rider-1 PPFAC. While only non-variable components are included in the illustration above, a Customer's actual bill in any given billing month will reflect the applicable PPFAC for that billing month.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: RES-01
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 101-1

Superseding:

LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this Tariff will be applied to the Customer's bill.

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this Rate.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Standard	
Description	
Meter Services	\$ 1.83 per month
Meter Reading	\$ 2.08 per month
Billing & Collection	\$ 4.92 per month
Customer Delivery	\$ 1.17 per month
Total	\$10.00 per month

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: RES-01
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 101-2

Superseding:

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	
Meter Services	\$ 1.83 per month
Meter Reading	\$ 2.08 per month
Billing & Collection	\$ 4.92 per month
Customer Delivery	\$ 1.17 per month
LFCR	\$ 2.50 per month
Total	\$12.50 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	
Meter Services	\$ 1.83 per month
Meter Reading	\$ 2.08 per month
Billing & Collection	\$ 4.92 per month
Customer Delivery	\$ 1.17 per month
LFCR	\$ 6.50 per month
Total	\$16.50 per month

Energy Charge Components (per kWh) (Unbundled):

Local Delivery	Rate
0 – 400 kWh	\$0.005271
401 – 1,000 kWh	\$0.020321
Over 1,000 kWh	\$0.022581
Generation Capacity	\$0.008325
Transmission	\$0.005704

Power Supply Charges (per kWh):

Component	Rate
Base Power Supply	\$0.064510
PPFAC (see Rider-1 for current rate)	Varies

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: RES-01
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 102

Superseding:

Residential Service Time-of-Use (RES-01 TOU)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all single-phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter. Customers must stay on this rate for a minimum period of one (1) year. Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Standard

Customer Charge and minimum bill \$11.50 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge with usage less than 2,000 kWh \$14.00 per month

Customer Charge with usage of 2,000 kWh or more \$18.00 per month

Energy Charges (per kWh):

Summer (May – October)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
On-Peak	\$0.030350	\$0.129605	Varies	\$0.159955
Off-Peak	\$0.030350	\$0.039605	Varies	\$0.069955

Winter (November – April)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
On-Peak	\$0.030350	\$0.129605	Varies	\$0.159955
Off-Peak	\$0.030350	\$0.031385	Varies	\$0.061735

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: RES-01
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 102-1

Superseding: _____

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery, Generation Capacity and Transmission.
2. The Power Supply Charge shall be comprised of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rate Rider-1. The PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold. Please see Rider-1 for current rate.
3. Total is calculated above for illustrative purposes, and excludes PPFAC, because the PPFAC changes monthly pursuant to Rider-1 PPFAC. While only non-variable components are included in the illustration above, a Customer's actual bill in any given billing month will reflect the applicable PPFAC for that billing month.

TIME-OF-USE TIME PERIODS

The Summer On-Peak period is 2:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The Winter On-Peak periods are 5:00 a.m. - 9:00 a.m. and 5:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

LOST FIXED COST RECOVERY (LFCR) - RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the Customer's bill.

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: RES-01
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 102-2

Superseding:

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this Rate.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Standard	
Description	
Meter Services	\$ 2.11 per month
Meter Reading	\$ 2.39 per month
Billing & Collection	\$ 5.66 per month
Customer Delivery	\$ 1.34 per month
Total	\$11.50 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	
Meter Services	\$ 2.11 per month
Meter Reading	\$ 2.39 per month
Billing & Collection	\$ 5.66 per month
Customer Delivery	\$ 1.34 per month
LFCR	\$ 2.50 per month
Total	\$14.00 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	
Meter Services	\$ 2.11 per month
Meter Reading	\$ 2.39 per month
Billing & Collection	\$ 5.66 per month
Customer Delivery	\$ 1.34 per month
LFCR	\$ 6.50 per month
Total	\$18.00 per month

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: RES-01
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 102-3

Superseding: _____

Energy Charge Components (per kWh) (Unbundled):

Summer (May – October)	On-Peak	Off-Peak
Local Delivery	\$0.016321	\$0.016321
Generation	\$0.008325	\$0.008325
Transmission	\$0.005704	\$0.005704

Power Supply Charge (per kWh):

Summer (May – October)	On-Peak	Off-Peak
Base Power Component	\$0.129605	\$0.039605
PPFAC	(See Rider -1 for current rate)	

Energy Charge Components (per kWh) (Unbundled):

Winter (November – April)	On-Peak	Off-Peak
Local Delivery	\$0.016321	\$0.016321
Generation Capacity	\$0.008325	\$0.008325
Transmission	\$0.005704	\$0.005704

Power Supply Charge (per kWh):

Winter (November – April)	On-Peak	Off-Peak
Base Power Component	\$0.129605	\$0.031385
PPFAC	(See Rider -1 for current rate)	

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: RES-01
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 103

Superseding:

Customer Assistance Residential Energy Support (CARES)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all single-phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

ELIGIBILITY

1. The UNS Electric account must be in the Customer's name applying for a CARES discount.
2. Applicant must be a UNS Electric residential Customer residing at the premise.
3. Applicant must have a combined household income at or below 150% of the federal poverty level. See Income Guidelines Chart on UNS Electric's website at www.uesaz.com or contact a UNS Electric customer care representative.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Standard

Customer Charge and minimum bill \$4.90 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge with usage less than 2,000 kWh \$ 7.40 per month

Customer Charge with usage of 2,000 kWh or more \$11.40 per month

Energy Charges (per kWh):

	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
First 400 kWh	\$0.018973	\$0.061700	Varies	\$0.080673
All Additional kWh	\$0.035400	\$0.061700	Varies	\$0.097100

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: CARES
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 103-1

Superseding: _____

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery, Generation Capacity and Transmission.
2. The Power Supply Charge shall be comprised of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rate Rider-1. The PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold. Please see Rider-1 for current rate.
3. Total is calculated above for illustrative purposes, and excludes PPFAC, because the PPFAC changes monthly pursuant to Rider-1 PPFAC. While only non-variable components are included in the illustration above, a Customer's actual bill in any given billing month will reflect the applicable PPFAC for that billing month.

MONTHLY CUSTOMER ASSISTANCE RESIDENTIAL ENERGY SUPPORT (CARES) DISCOUNT

The following monthly discount applies to the rate incorporated herein:

For Bills with Usage of:	Monthly Discount will be applied to the Standard Customer Charge, Delivery Charges, and Power Supply Charges:
0 – 300 kWh	30%
301 – 600 kWh	20%
601- 1,000 kWh	10%
Over 1,000 kWh	\$8.00

LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this Tariff will be applied to the Customer's bill.

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

TAX CLAUSE

To the charges computed under the above Rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: CARES
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 103-2

Superseding: _____

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this Rate.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Standard	
Description	
Meter Services	\$0.90 per month
Meter Reading	\$1.02 per month
Billing & Collection	\$2.41 per month
Customer Delivery	\$0.57 per month
Total	\$4.90 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	
Meter Services	\$0.90 per month
Meter Reading	\$1.02 per month
Billing & Collection	\$2.41 per month
Customer Delivery	\$0.57 per month
LFCR	\$2.50 per month
Total	\$7.40 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	
Meter Services	\$ 0.90 per month
Meter Reading	\$ 1.02 per month
Billing & Collection	\$ 2.41 per month
Customer Delivery	\$ 0.57 per month
LFCR	\$ 6.50 per month
Total	\$11.40 per month

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: CARES
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 103-3

Superseding:

Energy Charge Components (per kWh) (Unbundled):

Local Delivery	Rate
First 400 kWh	\$0.004255
All remaining kWh	\$0.020682
Generation Capacity	\$0.008223
Transmission	\$0.006495

Power Supply Charges (per kWh):

Component	Rate
Base Power Supply	\$0.061700
PPFAC (see Rider-1 for current rate)	Varies

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: CARES
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 104

Superseding: _____

Customer Assistance Residential Energy Support Low Income Medical Life Support Program (CARES-MF)

AVAILABILITY

New Customers, including those who move are not eligible for service under this Rate.

APPLICABILITY

To all single-phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter. This CARES Low Income Medical Life Support Program is available to all qualified CARES residential customers who are medically life-support dependent and who meet the eligibility requirements.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

ELIGIBILITY REQUIREMENTS

To be eligible for the CARES Low Income Medical Life Support Program, a Customer must meet the following requirements:

- A. Require the use of medical equipment that is considered essential for sustaining life and is operated at the residence;
- B. Submit to UNS Electric a statement signed by the attending physician that verifies that the customer is medically life-support dependent and states the type of essential medical equipment in use at the residence; and
- C. Submit to UNS Electric verification by the physician to remain eligible for the program beyond two years.

The following equipment is representative of that which may be qualified as being essential under the program:

- | | |
|------------------------------|--------------------------|
| ▪ Ventilator | ▪ Infusion Pump |
| ▪ Oxygen concentrator | ▪ Suction Machine |
| ▪ Peritoneal Dialysis Cycler | ▪ Small Volume Nebulizer |
| ▪ Hemo Dialysis Equipment | ▪ Oximeter |
| ▪ Feeding Pump | |

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Standard

Customer Charge and minimum bill	\$4.90 per month
----------------------------------	------------------

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge with usage less than 2,000 kWh	\$ 7.40 per month
Customer Charge with usage of 2,000 kWh or more	\$11.40 per month

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: CARES-MF
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 104-1

Superseding:

Energy Charges (per kWh):

	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
First 400 kWh	\$0.018973	\$0.061700	Varies	\$0.080673
All Additional kWh	\$0.035400	\$0.061700	Varies	\$0.097100

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery, Generation Capacity and Transmission.
2. The Power Supply Charge shall be comprised of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rate Rider-1. The PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold. Please see Rider-1 for current rate.
3. Total is calculated above for illustrative purposes, and excludes PPFAC, because the PPFAC changes monthly pursuant to Rider-1 PPFAC. While only non-variable components are included in the illustration above, a Customer's actual bill in any given billing month will reflect the applicable PPFAC for that billing month.

CARES LOW INCOME MEDICAL LIFE SUPPORT PROGRAM DISCOUNT

The monthly bill for customers eligible under the CARES Low Income Medical Life Support Program shall be computed in accordance to the Rates above including the following discount:

For Bills with Usage of:	Monthly Discount will be applied to the Standard Customer Charge, Delivery Charges, and Power Supply Charges:
0 – 600 kWh	30%
601 – 1,200 kWh	20%
1,201- 2,000 kWh	10%
Over 2,000 kWh	\$8.00

LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: CARES-MF
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 104-2

Superseding: _____

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this Tariff will be applied to the Customer's bill.

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this Rate.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Standard	
Description	
Meter Services	\$0.90 per month
Meter Reading	\$1.02 per month
Billing & Collection	\$2.41 per month
Customer Delivery	\$0.57 per month
Total	\$4.90 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	
Meter Services	\$0.90 per month
Meter Reading	\$1.02 per month
Billing & Collection	\$2.41 per month
Customer Delivery	\$0.57 per month
LFCR	\$2.50 per month
Total	\$7.40 per month

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: CARES-MF
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 104-3

Superseding:

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	
Meter Services	\$ 0.90 per month
Meter Reading	\$ 1.02 per month
Billing & Collection	\$ 2.41 per month
Customer Delivery	\$ 0.57 per month
LFCR	\$ 6.50 per month
Total	\$11.40 per month

Energy Charge Components (per kWh) (Unbundled):

Local Delivery	Rate
First 400 kWh	\$0.004255
All remaining kWh	\$0.020682
Generation Capacity	\$0.008223
Transmission	\$0.006495

Power Supply Charges (per kWh):

Component	Rate
Base Power Supply	\$0.061700
PPFAC (see Rider-1 for current rate)	Varies

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: CARES-MF
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 201

Superseding:

Small General Service (SGS-10)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all general power and lighting service unless otherwise addressed by specific Rates, when all energy is supplied at one point of delivery and through one metered service.

The supply of electric service under a residential Rate to a dwelling involving some business or professional activity will be permitted only where such activity is of only occasional occurrence, or where the electricity used in connection with such activity is small in amount and used only by equipment which would normally be in use if the space were used as living quarters. Where the portion of a dwelling is used regularly for business, professional or other gainful purposes, and any considerable amount of electricity is used for other than domestic purposes, or electrical equipment not normally used in living quarters is installed in connection with such activities referred to above, the entire premises must be classified as non-residential and the appropriate general service Rate will be applied.

Only available to Customers with imputed demand less than 500 KW. However, service is available for customer-owned, operated, and maintained area, street, or stadium lighting, and for firm irrigation service with a maximum monthly demand less than 25 kW.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service.

Customers must stay on this rate for a minimum period of one (1) year.

Customers using 12,000 or more kWh in consecutive months under the Small General Service tariff henceforth shall receive service under the Large General Service tariff.

CHARACTER OF SERVICE

The service shall be single-phase or three-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge:

\$14.50 per month

Energy Charges (per kWh):

	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
0 - 400 kWh	\$0.030176	\$0.058241	Varies	\$0.088417
401 - 7,500 kWh	\$0.041042	\$0.058241	Varies	\$0.099283
Over 7,500 kWh	\$0.076042	\$0.058241	Varies	\$0.134283

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: SGS-10
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 201-1

Superseding: _____

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery, Generation Capacity and Transmission.
2. The Power Supply Charge shall be comprised of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rate Rider-1. The PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold. Please see Rider-1 for current rate.
3. Total is calculated above for illustrative purposes, and excludes PPFAC, because the PPFAC changes monthly pursuant to Rider-1 PPFAC. While only non-variable components are included in the illustration above, a Customer's actual bill in any given billing month will reflect the applicable PPFAC for that billing month

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this Tariff will be applied to the Customer's bill.

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this Rate.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS

Customer Charge Components (Unbundled):

Description	Customer Charge
Meter Services	\$ 2.37 per month
Meter Reading	\$ 4.60 per month
Billing & Collection	\$ 6.35 per month
Customer Delivery	\$ 1.18 per month
Total	\$14.50 per month

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: SGS-10
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 201-2

Superseding: _____

Energy Charge Components (per kWh) (Unbundled):

Local Delivery	Rate
0 – 400 kWh	\$0.013662
401 – 7,500 kWh	\$0.024528
Over 7,500 kWh	\$0.059528
Generation Capacity	\$0.010400
Transmission	\$0.006114

Power Supply Charges (per kWh):

Component	Rate
Base Power Supply	\$0.058241
PPFAC (see Rider-1 for current rate)	Varies

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: SGS-10
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 202

Superseding: _____

Small General Service Time-of-Use (SGS-10 TOU)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all general power and lighting service unless otherwise addressed by specific Rates, when all energy is supplied at one point of delivery and through one metered service.

The supply of electric service under a residential Rate to a dwelling involving some business or professional activity will be permitted only where such activity is of only occasional occurrence, or where the electricity used in connection with such activity is small in amount and used only by equipment which would normally be in use if the space were used as living quarters. Where the portion of a dwelling is used regularly for business, professional or other gainful purposes, and any considerable amount of electricity is used for other than domestic purposes, or electrical equipment not normally used in living quarters is installed in connection with such activities referred to above, the entire premises must be classified as non-residential and the appropriate general service Rate will be applied.

Only available to Customers with imputed demand less than 500 kW; however, service is available for customer-owned, operated, and maintained area, street, or stadium lighting, and for firm irrigation service with a maximum monthly demand less than 25 kW.

Service under this Rate will commence when the appropriate meter has been installed.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service.

Customers must stay on this rate for a minimum period of one (1) year.

CHARACTER OF SERVICE

The service shall be single-phase or three-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: SGS-10 TOU
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 202-1
Superseding:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge: \$16.50 per month

Energy Charges (per kWh):

Summer (May – October)	Delivery Services- Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
0 - 400 kWh				
On-Peak	\$0.030176	\$0.129605	Varies	\$0.159781
Off-Peak	\$0.030176	\$0.039605	Varies	\$0.069781
401 – 7,500 kWh				
On-Peak	\$0.043176	\$0.129605	Varies	\$0.172781
Off-Peak	\$0.043176	\$0.039605	Varies	\$0.082781
Over 7,500 kWh				
On-Peak	\$0.076042	\$0.129605	Varies	\$0.205647
Off-Peak	\$0.076042	\$0.039605	Varies	\$0.115647

Winter (November – April)	Delivery Services- Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
0 - 400 kWh				
On-Peak	\$0.030176	\$0.129605	Varies	\$0.159781
Off-Peak	\$0.030176	\$0.031385	Varies	\$0.061561
401 – 7,500 kWh				
On-Peak	\$0.043176	\$0.129605	Varies	\$0.172781
Off-Peak	\$0.043176	\$0.031385	Varies	\$0.074561
Over 7,500 kWh				
On-Peak	\$0.076042	\$0.129605	Varies	\$0.205647
Off-Peak	\$0.076042	\$0.031385	Varies	\$0.107427

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery, Generation Capacity and Transmission.
2. The Power Supply Charge shall be comprised of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rate Rider-1. The PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold. Please see Rider-1 for current rate.
3. Total is calculated above for illustrative purposes, and excludes PPFAC, because the PPFAC changes monthly pursuant to Rider-1 PPFAC. While only non-variable components are included in the illustration above, a Customer's actual bill in any given billing month will reflect the applicable PPFAC for that billing month

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: SGS-10 TOU
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 202-2

Superseding: _____

TIME-OF-USE TIME PERIODS

The Summer On-Peak period is 2:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The Winter On-Peak periods are 5:00 a.m. - 9:00 a.m. and 5:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this Tariff will be applied to the Customer's bill.

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this Rate.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS

Customer Charge Components (Unbundled):

Description	Customer Charge
Meter Services	\$ 2.69 per month
Meter Reading	\$ 5.24 per month
Billing & Collection	\$ 7.23 per month
Customer Delivery	\$ 1.34 per month
Total	\$16.50 per month

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: SGS-10 TOU
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 202-3

Superseding:

Energy Charge Components (per kWh) (Unbundled):

Local Delivery	Rate
0 – 400 kWh	\$0.013662
401 – 7,500 kWh	\$0.026662
Over 7,500 kWh	\$0.059528
Generation Capacity	\$0.010400
Transmission	\$0.006114

Power Supply Charges (per kWh):

Component	Rate
Base Power Supply Summer (May – October) On-Peak	\$0.129605
Base Power Supply Summer (May – October) Off-Peak	\$0.039605
Base Power Supply Winter (November – April) On-Peak	\$0.129605
Base Power Supply Winter (November – April) Off-Peak	\$0.031385
PPFAC (see Rider -1 for current rate)	Varies

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: SGS-10 TOU
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 203

Superseding: _____

Time-of-Use for Small General Service Schools (SGS-10 TOU-S)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all private and public schools (K-12) unless otherwise addressed by specific Rates, when all energy is supplied at one point of delivery and through one metered service.

Service under this Rate will commence when the appropriate meter has been installed.

Only available to Customers with imputed demand less than 500 KW.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service.

Customers must stay on this rate for a minimum period of one (1) year.

CHARACTER OF SERVICE

The service shall be single-phase or three-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge: \$16.50 per month

Energy Charges (per kWh):

Summer (May – October)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
0 - 400 kWh				
On-Peak	\$0.030176	\$0.137405	Varies	\$0.167581
Off-Peak	\$0.030176	\$0.047405	Varies	\$0.077581
401 – 7,500 kWh				
On-Peak	\$0.043176	\$0.137405	Varies	\$0.180581
Off-Peak	\$0.043176	\$0.047405	Varies	\$0.090581
Over 7,500 kWh				
On-Peak	\$0.076042	\$0.137405	Varies	\$0.213447
Off-Peak	\$0.076042	\$0.047405	Varies	\$0.123447

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: SGS-10 TOU S
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 203-1

Superseding: _____

Winter (November – April)	Delivery Services- Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
0 - 400 kWh				
On-Peak	\$0.030176	\$0.137405	Varies	\$0.167581
Off-Peak	\$0.030176	\$0.039185	Varies	\$0.069361
401 – 7,500 kWh				
On-Peak	\$0.043176	\$0.137405	Varies	\$0.180581
Off-Peak	\$0.043176	\$0.039185	Varies	\$0.082361
Over 7,500 kWh				
On-Peak	\$0.076042	\$0.137405	Varies	\$0.213447
Off-Peak	\$0.076042	\$0.039185	Varies	\$0.115227

1. Delivery Services-Energy is a bundled charge that includes: Transmission, Sub-transmission, Local Delivery Energy and Production not included in Power Supply.
2. The Power Supply Charge shall be comprised of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rate Rider-1. The PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold. Please see Rider-1 for current rate.
3. Total is calculated above for illustrative purposes, and excludes PPFAC, because the PPFAC changes monthly pursuant to Rider-1 PPFAC. While only non-variable components are included in the illustration above, a Customer's actual bill in any given billing month will reflect the applicable PPFAC for that billing month.

TIME-OF-USE PERIODS

The Summer On-Peak period is 3:00 p.m. to 7:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The Winter On-Peak periods are 5:00 a.m. - 9:00 a.m. and 5:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this Tariff will be applied to the Customer's bill.

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: SGS-10 TOUTS
Effective: Pending
Decision No.:

**UNS Electric, Inc.**Original Sheet No.: 203-2

Superseding: _____

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this Rate.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS**Customer Charge Components (Unbundled):**

Description	Customer Charge
Meter Services	\$ 2.69 per month
Meter Reading	\$ 5.24 per month
Billing & Collection	\$ 7.23 per month
Customer Delivery	\$ 1.34 per month
Total	\$16.50 per month

Energy Charge Components (per kWh) (Unbundled):

Local Delivery	Rate
0 – 400 kWh	\$0.013662
401 – 7,500 kWh	\$0.026662
Over 7,500 kWh	\$0.059528
Generation Capacity	\$0.010400
Transmission	\$0.006114

Power Supply Charges (per kWh):

Component	Rate
Base Power Supply Summer (May – October) On-Peak	\$0.137405
Base Power Supply Summer (May – October) Off-Peak	\$0.047405
Base Power Supply Winter (November – April) On-Peak	\$0.137405
Base Power Supply Winter (November – April) Off-Peak	\$0.039185
PPFAC (see Rider -1 for current rate)	Varies

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: SGS-10 TOU S
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 204
Superseding: _____

Large General Service (LGS)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all general power and lighting service on an optional basis when all energy is supplied at one point of delivery and through one metered service.

Not applicable to resale, breakdown, temporary, standby or auxiliary service.

Customers must stay on this rate for a minimum period of one (1) year.

CHARACTER OF SERVICE

The service shall be single-phase or three-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

Primary metering shall be required for new installations with service requirements in excess of 2,500 kW.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge: \$50.00 per month

Demand Charge: \$12.81 per kW

Energy Charge (per kWh):

	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
All kWh	\$0.005470	\$0.056603	Varies	\$0.062073

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery, Generation Capacity and Transmission.
2. The Power Supply Charge shall be comprised of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rate Rider-1. The PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold. Please see Rider-1 for current rate.
3. Total is calculated above for illustrative purposes, and excludes PPFAC, because the PPFAC changes monthly pursuant to Rider-1 PPFAC. While only non-variable components are included in the illustration above, a Customer's actual bill in any given billing month will reflect the applicable PPFAC for that billing month.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: RES-01
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 204-1

Superseding:

BILLING DEMAND

The monthly billing demand shall be the greatest of the following:

1. The maximum 15 minute measured demand in the billing month;
2. 75% of the maximum demand used for billing purposes in the preceding 11 months; or
3. The contract demand amount, not to be less than 20 kW.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this Tariff will be applied to the Customer's bill.

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this Rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: RES-01
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 204-2

Superseding: _____

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS

Customer Charge Components (Unbundled):

Description	Customer Charge
Meter Services	\$ 7.28 per month
Meter Reading	\$ 18.59 per month
Billing & Collection	\$ 19.59 per month
Customer Delivery	\$ 4.54 per month
Total	\$50.00 per month

Demand Charges (per kW) (Unbundled):

Component	Rate
Demand Delivery	\$ 7.64
Generation Capacity	\$ 3.09
Transmission	\$ 2.08

Energy Charge Components (per kWh) (Unbundled):

	Rate
Local Delivery	\$0.002909
Generation	\$0.002394
Transmission	\$0.000167

Power Supply Charges (per kWh):

Component	Rate
Base Power Supply	\$0.056603
PPFAC (see Rider-1 for current rate)	Varies

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: RES-01
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 205

Superseding: _____

Large General Service Time of Use (LGS TOU)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all general power and lighting service on an optional basis when all energy is supplied at one point of delivery and through one metered service. Not applicable to resale, breakdown, temporary, standby or auxiliary service. Customers must stay on this rate for a minimum period of one (1) year.

CHARACTER OF SERVICE

The service shall be single-phase or three-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

Primary metering shall be required for new installations with service requirements in excess of 2,500 kW.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge: \$52.00 per month

Demand Charge: \$12.81 per kW

Energy Charges (per kWh):

Summer (May – October)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
On-Peak	\$0.005470	\$0.114886	Varies	\$0.120356
Off-Peak	\$0.005470	\$0.039886	Varies	\$0.045356

Winter (November – April)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
On-Peak	\$0.005470	\$0.114886	Varies	\$0.120356
Off-Peak	\$0.005470	\$0.026168	Varies	\$0.031638

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery, Generation Capacity and Transmission.
2. The Power Supply Charge shall be comprised of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rate Rider-1. The PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold. Please see Rider-1 for current rate.
3. Total is calculated above for illustrative purposes, and excludes PPFAC, because the PPFAC changes monthly pursuant to Rider-1 PPFAC. While only non-variable components are included in the illustration above, a Customer's actual bill in any given billing month will reflect the applicable PPFAC for that billing month.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: RES-01
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 205-1

Superseding: _____

BILLING DEMAND

The monthly billing demand shall be the greatest of the following:

1. The maximum 15 minute measured demand in the billing month;
2. 75% of the maximum demand used for billing purposes in the preceding 11 months; or
3. The contract demand amount, not to be less than 20 kW.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this Tariff will be applied to the Customer's bill.

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this Rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: RES-01
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 205-2

Superseding:

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS

Customer Charge Components (Unbundled):

Description	Customer Charge
Meter Services	\$ 7.57 per month
Meter Reading	\$ 19.33 per month
Billing & Collection	\$ 20.38 per month
Customer Delivery	\$ 4.72 per month
Total	\$ 52.00 per month

Demand Charge (per kW) (Unbundled):

Component	Rate
Demand Delivery	\$ 7.64
Generation Capacity	\$ 3.09
Transmission	\$ 2.08

Energy Charge Components (per kWh) (Unbundled):

	Rate
Local Delivery	\$0.002909
Generation	\$0.002394
Transmission	\$0.000167

Power Supply Charges (per kWh):

Component	Rate
Base Power Supply Summer (May – October) On-Peak	\$0.114886
Base Power Supply Summer (May – October) Off-Peak	\$0.039886
Base Power Supply Winter (November – April) On-Peak	\$0.114886
Base Power Supply Winter (November – April) Off-Peak	\$0.026168
PPFAC (see Rider -1 for current rate)	Varies

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: RES-01
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 206
Superseding: _____

Time of Use for Large General Service Schools (LGS-TOU-S)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all private and public schools (K-12) unless otherwise addressed by specific Rate schedules, when all energy is supplied at one point of delivery and through one metered service.

Service under this Rate will commence when the appropriate meter has been installed.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service.

Customers must stay on this rate for a minimum period of one (1) year.

CHARACTER OF SERVICE

The service shall be single-phase or three-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

Primary metering shall be required for new installations with service requirements in excess of 2,500 kW.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge: \$52.00 per month

Demand Charge: \$12.81 per kW

Energy Charges (per kWh):

Summer (May – October)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
On-Peak	\$0.005470	\$0.120586	Varies	\$0.126056
Off-Peak	\$0.005470	\$0.045586	Varies	\$0.051056

Winter (November – April)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
On-Peak	\$0.005470	\$0.120586	Varies	\$0.126056
Off-Peak	\$0.005470	\$0.031868	Varies	\$0.037338

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: LGS-TOU-S
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 206-1
Superseding: _____

1. Delivery Services-Energy is a bundled charge that includes: Transmission, Sub-transmission, Local Delivery Energy and Production not included in Power Supply.
2. The Power Supply Charge shall be comprised of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rate Rider-1. The PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold. Please see Rider-1 for current rate.
3. Total is calculated above for illustrative purposes, and excludes PPFAC, because the PPFAC changes monthly pursuant to Rider-1 PPFAC. While only non-variable components are included in the illustration above, a Customer's actual bill in any given billing month will reflect the applicable PPFAC for that billing month

BILLING DEMAND

The monthly billing demand shall be the greatest of the following:

1. The maximum 15 minute measured demand in the billing month;
2. 75% of the maximum demand used for billing purposes in the preceding 11 months; or
3. The contract demand amount, not to be less than 20 kW.

TIME-OF-USE PERIODS

The Summer On-Peak period is 3:00 p.m. to 7:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The Winter On-Peak periods are 5:00 a.m. - 9:00 a.m. and 5:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this Tariff will be applied to the Customer's bill.

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: LGS-TOU-S
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 206-2

Superseding: _____

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this Rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS

Customer Charge Components (Unbundled):

Description	Customer Charge
Meter Services	\$ 7.57 per month
Meter Reading	\$ 19.33 per month
Billing & Collection	\$ 20.38 per month
Customer Delivery	\$ 4.72 per month
Total	\$ 52.00 per month

Demand Charge (per kW) (Unbundled):

Component	Rate
Demand Delivery	\$ 7.64
Generation Capacity	\$ 3.09
Transmission	\$ 2.08

Energy Charge Components (per kWh) (Unbundled):

	Rate
Local Delivery	\$0.002909
Generation	\$0.002394
Transmission	\$0.000167

Power Supply Charges (per kWh):

Component	Rate
Base Power Supply Summer (May – October) On-Peak	\$0.120586
Base Power Supply Summer (May – October) Off-Peak	\$0.045586
Base Power Supply Winter (November – April) On-Peak	\$0.120586
Base Power Supply Winter (November – April) Off-Peak	\$0.031868
PPFAC (see Rider -1 for current rate)	Varies

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: LGS-TOU-S
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 301

Superseding: _____

Large Power Service (LPS)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all general power and lighting service on an optional basis when all energy is supplied at one point of delivery and through one metered service.

Not applicable to resale, breakdown, temporary, standby or auxiliary service.

CHARACTER OF SERVICE

The service shall be three-phase, 60 Hertz, and at the Company's standard transmission or distribution voltages that are available within the vicinity of the Customer's premises.

Primary metering shall be required for new installations with service requirements in excess of 2,500 kW.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge:	\$1,200.00 per month
Demand Charges:	
Demand Charge (<69 kV Service)	\$22.00 per kW per month
Demand Charge (≥69 kV Service)	\$17.00 per kW per month

Energy Charge (per kWh):

	Delivery Services- Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
All kWh	\$0.000462	\$0.041880	Varies	\$0.042342

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery, Generation Capacity and Transmission.
2. The Power Supply Charge shall be comprised of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rate Rider-1. The PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold. Please see Rider-1 for current rate.
3. Total is calculated above for illustrative purposes, and excludes PPFAC, because the PPFAC changes monthly pursuant to Rider-1 PPFAC. While only non-variable components are included in the illustration above, a Customer's actual bill in any given billing month will reflect the applicable PPFAC for that billing month.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: RES-01
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 301-1

Superseding: _____

A credit of three percent (3%) will be applied to the demand charge if the Customer receives Distribution Service at primary voltage.

In the event a Customer achieves permanent, verifiable demand reduction through involvement in UNS Electric's Demand-Side Management (DSM) programs, such reductions will be applicable to adjusted demands billed during the eleven (11) month period prior to the installation of the DSM measures.

BILLING DEMAND

The monthly billing demand shall be the higher of:

1. the highest measured fifteen-minute integrated reading of the demand meter during the on-peak hours of the billing period;
2. the highest demand metered during the preceding eleven (11) months; or
3. the contract capacity or 500 kW, whichever is higher.

POWER FACTOR ADJUSTMENT

$(\text{Maximum Demand} / (.05 + \text{PF})) - \text{Maximum Demand}$ x Demand Charge Where Maximum Demand is the highest measured fifteen (15) minute demand in kilowatts during the billing period.

POWER FACTOR

1. The Company may require the Customer by written notice to either maintain a specified minimum lagging power factor or the Company may after thirty (30) days install power factor corrective equipment and bill the Customer for the total costs of this equipment and installation.
2. In the case of apparatus and devices having low power factor, now in service, which may hereafter be replaced, and all similar equipment hereafter installed or replaced, served under general commercial schedules, the Company may require the Customer to provide, at the Customer's own expense, power factor corrective equipment to increase the power factor of any such devices to not less than ninety (90) percent.
3. If the Customer installs and owns the capacitors needed to supply his reactive power requirements, then the Customer must equip them with suitable disconnecting switches, so installed that the capacitors will be disconnected from the Company's lines whenever the Customer's load is disconnected from the Company's facilities.
4. Gaseous tube installations totaling more than one thousand (1,000) volt-amperes must be equipped with capacitors of sufficient rating to maintain a minimum of ninety percent (90%) lagging power factor.
5. Company installation and removal of metering equipment to measure power factor will be at the discretion of the Company.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this Tariff will be applied to the Customer's bill.

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: RES-01
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 301-2

Superseding:

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this Rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the Customer or pursuant to the Customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

OTHER PROVISIONS

Service hereunder shall remain in full force and in effect until terminated by the Customer unless otherwise provided for in the Service Agreement. Termination of service requires twelve (12) months advance notice in writing to the Company.

Service hereunder may require the Customer to enter into a Service Agreement with the Company for a term of two (2) years or longer, with a minimum contract demand capacity at the Company's option in view of the anticipated demand of the Customer.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: RES-01
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 301-3

Superseding: _____

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS

Customer Charge Components (Unbundled):

Description	Customer Charge
Meter Services	\$ 184.69 per month
Meter Reading	\$ 364.17 per month
Billing & Collection	\$ 498.49 per month
Customer Delivery	\$ 152.65 per month
Total	\$ 1,200.00 per month

Demand Charge <69kW (Unbundled):

Component	Rate
Delivery Services- All kW	
Local Delivery	\$ 17.50
Generation	\$ 2.07
Transmission	\$ 2.43

Demand Charge >69kW (Unbundled):

Component	Rate
Delivery Services- All kW	
Local Delivery	\$ 12.73
Generation Capacity	\$ 2.07
Transmission	\$ 2.20

Energy Charge Components (per kWh) (Unbundled):

	Rate
Local Delivery	\$0.000343
Generation	\$0.000100
Transmission	\$0.000019

Power Supply Charges (per kWh):

Component	Rate
Base Power Supply	\$0.041880
PPFAC (see Rider-1 for current rate)	Varies

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: RES-01
Effective: Pending
Decision No:



UNS Electric, Inc.

Original Sheet No.: 302

Superseding:

Large Power Service Time-of-Use (LPS-TOU)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all general power and lighting service on an optional basis when all energy is supplied at one point of delivery and through one metered service.

Not applicable to resale, breakdown, temporary, standby or auxiliary service.

CHARACTER OF SERVICE

The service shall be three-phase, 60 Hertz, and at the Company's standard transmission or distribution voltages that are available within the vicinity of the Customer's premises.

Primary metering shall be required for new installations with service requirements in excess of 2,500 kW.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge: \$1,200.00 per month

Demand Charges:
Demand Charge (≥ 69 kV Service) \$17.00 per kW per month

Energy Charges (per kWh):

Summer (May – October)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
On-Peak	\$0.000462	\$0.123580	Varies	\$0.124042
Off-Peak	\$0.000462	\$0.024716	Varies	\$0.025178

Winter (November – April)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
On-Peak	\$0.000462	\$0.093880	Varies	\$0.094342
Off-Peak	\$0.000462	\$0.022105	Varies	\$0.022567

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: LPS-TOU
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 302-1
Superseding: _____

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery, Generation Capacity and Transmission.
2. The Power Supply Charge shall be comprised of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rate Rider-1. The PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold. Please see Rider-1 for current rate.
3. Total is calculated above for illustrative purposes, and excludes PPFAC, because the PPFAC changes monthly pursuant to Rider-1 PPFAC. While only non-variable components are included in the illustration above, a Customer's actual bill in any given billing month will reflect the applicable PPFAC for that billing month.

A credit of three percent (3%) will be applied to the demand charge if the Customer receives Distribution Service at primary voltage.

In the event a Customer achieves permanent, verifiable demand reduction through involvement in UNS Electric's Demand-Side Management (DSM) programs, such reductions will be applicable to adjusted demands billed during the eleven (11) month period prior to the installation of the DSM measures.

BILLING DEMAND

The monthly billing demand shall be the higher of:

1. the highest measured fifteen-minute integrated reading of the demand meter during the on-peak hours of the billing period;
2. one-half the highest measured fifteen minute integrated reading of the demand meter during the off-peak hours;
3. the highest demand metered during the preceding eleven (11) months; or
4. the contract capacity or 500 kW, whichever is higher.

TIME-OF-USE TIME PERIODS

The Summer On-Peak period is 2:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The Winter On-Peak periods are 6:00 a.m. - 12:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

POWER FACTOR ADJUSTMENT

$(\text{Maximum Demand} / (.05 + \text{PF})) - \text{Maximum Demand}) \times \text{Demand Charge}$ Where Maximum Demand is the highest measured fifteen (15) minute demand in kilowatts during the billing period.

POWER FACTOR

1. The Company may require the Customer by written notice to either maintain a specified minimum lagging power factor or the Company may after thirty (30) days install power factor corrective equipment and bill the Customer for the total costs of this equipment and installation.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: LPS-TOU
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 302-2

Superseding: _____

2. In the case of apparatus and devices having low power factor, now in service, which may hereafter be replaced, and all similar equipment hereafter installed or replaced, served under general commercial schedules, the Company may require the Customer to provide, at the Customer's own expense, power factor corrective equipment to increase the power factor of any such devices to not less than ninety (90) percent.
3. If the Customer installs and owns the capacitors needed to supply his reactive power requirements, then the Customer must equip them with suitable disconnecting switches, so installed that the capacitors will be disconnected from the Company's lines whenever the Customer's load is disconnected from the Company's facilities.
4. Gaseous tube installations totaling more than one thousand (1,000) volt-amperes must be equipped with capacitors of sufficient rating to maintain a minimum of ninety percent (90%) lagging power factor.
5. Company installation and removal of metering equipment to measure power factor will be at the discretion of the Company.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this Tariff will be applied to the Customer's bill.

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this Rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the Customer or pursuant to the Customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

OTHER PROVISIONS

Service hereunder shall remain in full force and in effect until terminated by the Customer unless otherwise provided for in the Service Agreement. Termination of service requires twelve (12) months advance notice in writing to the Company.

Service hereunder may require the Customer to enter into a Service Agreement with the Company for a term of two (2) years or longer, with a minimum contract demand capacity at the Company's option in view of the anticipated demand of the Customer.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: LPS-TOU
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 302-3

Superseding:

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS

Customer Charge Components (Unbundled):

Description	Customer Charge
Meter Services	\$ 184.69 per month
Meter Reading	\$ 364.17 per month
Billing & Collection	\$ 498.49 per month
Customer Delivery	\$ 152.65 per month
Total	\$1,200.00 per month

Demand Charge > 69kV (Unbundled):

Component	Rate
Delivery Services- All kW	
Local Delivery	\$ 12.73
Generation Capacity	\$ 2.07
Transmission	\$ 2.20

Energy Charge Components (per kWh) (Unbundled):

Summer (May – October)	On-Peak	Off-Peak
Local Delivery	\$0.000343	\$0.000343
Generation	\$0.000100	\$0.000100
Transmission	\$0.000019	\$0.000019

Power Supply Charge (per kWh):

Summer (May – October)	On-Peak	Off-Peak
Base Power Component	\$0.123580	\$0.024716
PPFAC	In accordance with Rider 1 - PPFAC	

Energy Charge Components (per kWh) (Unbundled):

Winter (November – April)	On-Peak	Off-Peak
Local Delivery Energy	\$0.000343	\$0.000343
Generation	\$0.000100	\$0.000100
Transmission	\$0.000019	\$0.000019

Power Supply Charge (per kWh):

Winter (November – April)	On-Peak	Off-Peak
Base Power Component	\$0.093880	\$0.022105
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: LPS-TOU
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 501
Superseding: _____

Lighting Service (LTG)

AVAILABILITY

At any point where the Company in its judgment has facilities of adequate capacity and suitable voltage available.

APPLICABILITY

Applicable to any Customer for private and public street lighting or outdoor area lighting where this service can be supplied from existing facilities of the Company. The Company will install, own, operate, and maintain the complete lighting installation including lamp and globe replacements. Not applicable to resale service.

To any Customer, including public agencies, for the lighting of streets, alleys, thoroughfares, public parks, playgrounds, or other public or private property where such lighting is controlled by a photocell and a contract for service is entered into with the Company.

CHARACTER OF SERVICE

Service is supplied on Company-owned fixtures and poles which are maintained by the Company. The poles, fixtures, and lamps available are the standard items stocked by the Company, and service is rendered at standard available voltages. Multiple or series street lighting system at option of Company and at one standard nominal voltage.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE- SUMMARY OF CUSTOMER AND ENERGY CHARGES:

The monthly bill shall be the sum of the following charges and adjustments for each light:

<u>Service Charge (per month):</u>	<u>Overhead Service</u>	<u>Underground Service</u>
Existing Wood Pole	\$2.18	\$2.18
New 30' Wood Pole (Class 6)	\$4.34	\$6.52
New 30' Metal or Fiberglass	\$8.66	\$10.81

Lighting Charge:

Based on the rated wattage value of each lamp installed per month: \$0.051681 per watt

Base Power Supply Charge: based on the rated wattage value of each lamp installed per month: \$0.010113 per kWh

The Power Supply Charge shall be comprised of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1. The PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold. The PPFAC rate changes annually every June 1. Please see Rate Rider-1 for current rate.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: LTG
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 501-1
Superseding: _____

CONTRACT PERIOD

All lighting installations will require a contract for service as follows:

Three (3) years initial term for installations on existing facilities.

TERMS AND CONDITIONS

1. For each light, overhead extensions beyond one hundred fifty (150) feet and underground extensions beyond one hundred (100) feet will require specific agreements providing adequate revenue or arrangements for construction financing.
2. The Customer is not authorized to make connections to the lighting circuit or make attachments or alterations to the Company-owned pole.
3. Should a Customer request a relocation of a dusk-to-dawn lighting installation, the costs of such relocation must be borne by the Customer.
4. The Customer is expected to notify the Company when lamp outages occur.
5. The Company will use diligence in maintaining service; however, monthly bills will not be reduced because of lamp outages.
6. The Company will require a non-refundable contribution for the installation of new construction for facilities of \$150.00.
7. A late payment charge as stated in the general rules and regulations will be applied to account balances carried forward from prior billings.

DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this Tariff will be applied to the Customer's bill.

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this Rate.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: LTG
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 501-2

Superseding:

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

New 30' Wood Pole (Class 6) - Overhead	
Billing and Collections	\$1.57 per unit
Customer Delivery	\$2.77 per unit
 New 30' Metal or Fiberglass - Overhead	
Billing and Collections	\$1.57 per unit
Customer Delivery	\$7.09 per unit
 Existing Wood Pole - Underground	
Billing and Collections	\$1.57 per unit
Customer Delivery	\$0.61 per unit
 New 30' Wood Pole Class 6 - Underground	
Billing and Collections	\$1.57 per unit
Customer Delivery	\$4.95 per unit
 New 30' Metal or Fiberglass - Underground	
Billing and Collections	\$1.57 per unit
Customer Delivery	\$9.24 per unit
 Lighting Charge	
Local Delivery	\$0.045641 per watt
Generation Capacity	\$0.003140 per watt
Transmission	\$0.002900 per watt

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: LTG
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 601
Superseding: _____

Interruptible Power Service (IPS)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

Any new Customers taking service under this Rate must furnish, install, own, and maintain at each point of delivery all necessary Company approved equipment which will enable the Company to interrupt service with its master control station.

TRANSITION PERIOD

Customers taking service under this Rate prior to XXXXXX XX, 201X will be given twenty-four (24) months from XXXXX XX, 2013 (the date of the Rate Order) to furnish, install, own, and maintain at each point of delivery all necessary Company approved equipment which will enable the Company to interrupt service with its master control station. After XXXXX XX, 2013, if the Customer has not installed this equipment, they will be placed on the otherwise applicable firm Rate.

APPLICABILITY

This service is normally provided at one point of delivery measured through one meter. More than one service and meter may be provided in instances where such is permitted under 230.2 (A) through (D) of the National Electric Code with prior approval of the UNS Electric Engineering Department.

To any Customer with a minimum demand of 50 kW and is interruptible within fifteen (15) minutes of notice by the Company. The Customer must be able to interrupt service for up to eight (8) hours per day.

Not applicable to resale, breakdown, temporary, standby or auxiliary service.

CHARACTER OF SERVICE

Service shall be three phase, 60 hertz, at the Company's standard voltages that are available within the vicinity of the Customer's premises.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES:

Customer Charge: \$18.00 per month

Demand Charge: \$5.00 per kW

Energy Charge (per kWh):

	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
All kWh	\$0.019408	\$0.043760	Varies	\$0.063168

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: IPS
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 601-1
Superseding: _____

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery, Generation Capacity and Transmission.
2. The Power Supply Charge shall be comprised of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rate Rider-1. The PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold. Please see Rider-1 for current rate.
3. Total is calculated above for illustrative purposes, and excludes PPFAC, because the PPFAC changes monthly pursuant to Rider-1 PPFAC. While only non-variable components are included in the illustration above, a Customer's actual bill in any given billing month will reflect the applicable PPFAC for that billing month.

PENALTY FOR FAILURE TO INTERRUPT:

In the event that the Customer fails to interrupt its load when requested to do so by the Company, the Customer shall pay an additional charge as follows:

Billing Demand Charge per kW @ \$25.00
Unbundled \$/kWh Charge is entirely a Delivery Charge

For a second failure to interrupt in any twelve (12) month period, the Customer will revert to the otherwise applicable firm Rate for a period of at least twelve (12) months.

DETERMINATION OF BILLING DEMAND

The monthly billing demand shall be the highest measured fifteen (15) minute integrated reading of the demand meter during the billing month. If demand is not metered, the billing demand shall be based on nameplate ratings of connected motors and equipment, or by a test as approved by the Company.

TERMS AND CONDITIONS

A late payment charge as stated in the Company's Rules and Regulations will be applied to account balances carried forward from prior billings.

The Company reserves the right to interrupt service to the Customer at any time.

Customers who qualify for service under this Rate must remain on the Rate for a twelve (12) month period, unless, in the judgment of the Company, conditions require a different strategy or approach. Service hereunder shall require the Customer to enter into a Service Agreement with the Company for a term of one (1) year or longer, with a minimum Contract Demand at the Company's option in view of the anticipated demand of the Customer.

The Company will endeavor to provide the Customer with as much advance notice as possible of the required interruptions. However, the Customer shall interrupt service within ten (10) minutes.

The Company reserves the right to have automatic equipment installed for immediate interruption of the Customer's load. Should the Company's automatic equipment fail to interrupt the load, no penalty will be assessed.

The Company shall not be responsible for any loss or damage caused by or resulting from interruption of service under this Rate.

Standby, supplemental or breakdown service shall not be rendered under this Rate.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: IPS
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 601-2

Superseding:

Service under this Rate is for the exclusive use of the Customer and shall not be resold or shared with others, unless authorized by the Company.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this Tariff will be applied to the Customer's bill.

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Commission shall apply where not inconsistent with this Rate.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Description	Customer Charge
Meter Services	\$ 2.62 per month
Meter Reading	\$ 6.69 per month
Billing & Collection	\$ 7.05 per month
Customer Delivery	\$ 1.64 per month
Total	\$18.00 per month

Demand Charge (per kW) (Unbundled):

	Rate
Local Delivery	\$2.95
Generation Capacity	\$0.53
Transmission	\$1.52

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: IPS
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 601-3

Superseding:

Energy Charge Components (per kWh) (Unbundled):

	Rate
Local Delivery	\$0.015400
Generation	\$0.003841
Transmission	\$0.000167

Power Supply Charges (per kWh):

Component	Rate
Base Power Supply	\$0.043760
PPFAC (see Rider-1 for current rate)	Varies

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: IPS
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 701

Superseding: _____

Rider R-1
Purchased Power Fuel Adjustor Clause (PPFAC)

APPLICABILITY

The Purchased Power and Fuel Adjustment Clause (PPFAC) will be applied to all customers taking Standard Offer service from the Company pursuant to the Arizona Corporation Commission (ACC) Decision No 70360 dated May 27, 2008 and as updated and defined in the Company's PPFAC Plan of Administration approved in ACC Decision No. XXXXX.

RATE

The Customer monthly bill shall consist of the applicable Rate charges and adjustments in addition to the PPFAC. The PPFAC adjustor rate, as shown on page two (2) of this Rider, is an amount expressed as a rate per kWh charge to reflect the cost to the Company for energy either generated or purchased.

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the ACC see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

This standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this Rider.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: R-1
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 701-1

Superseding: _____

TABLE TO BE POPULATED WITH 1st PPFAC MONTHLY DATA

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: R-1
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 702
Superseding: _____

Rider R-2
Demand Side Management Surcharge (DSMS)

APPLICABILITY

The Demand Side Management Surcharge (DSMS) applies to all customers, except customers who take service under the Customer Assistance Residential Energy Support (C.A.R.E.S) pricing plan or Low Income Medical Life Support Program (C.A.R.E.S.-M) pricing plan in all territory served by UNS Electric, Inc. as mandated by the Arizona Corporation Commission, unless otherwise specified. C.A.R.E.S. and C.A.R.E.S.-M customers are exempt from any DSM surcharge.

RATES

The DSMS shall be applied to all monthly net bills except for C.A.R.E.S. customers. The DSMS will be assessed on a per kWh basis. The Rates are shown in the UNS Electric Statement of Charges.

REQUIREMENTS

The 2013 UNS Electric DSMS is effective January 1, 2014 and will remain in effect until further ordered by the ACC.

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the ACC see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company, and/or the price of, or revenue from, gas sales or service sold and/or the volume of gas sales generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the ACC shall apply where not inconsistent with this Rate.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: R-2
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 703
Superseding: _____

Rider-3
Market Cost of Comparable Conventional Generation (MCCCG)
Calculation as Applicable to Rider-4 NM-PRS

AVAILABILITY

The Market Cost of Comparable Conventional Generation (MCCCG) calculation, Rider-3, is restricted solely to Rider-4, Net Metering for Certain Partial Requirements Service (NM-PRS). If for a billing month a Rider-4 NM-PRS Customer's generation facility's energy production exceeds the energy supplied by the Company, the Customer's bill for the next billing period shall be credited for the excess generation as described in Rider-4 NM-PRS. The excess kWh during the billing period shall be used to reduce the kWh supplied (not kW or kVA demand or customer/facilities charges) and billed by the Company during the following billing period. Each calendar year, for the customer bills produced in October (September usage) or a customer's "Final" bill - the Company shall credit the Customer for the positive balance of excess kWhs (if any) after netting against billing period usage. The payment for the purchase of the excess kWhs will be at the Company's applicable avoided cost, which for purposes of Rider-4 NM-PRS shall be the simple average of the hourly MCCCG as described below for the applicable year.

The Arizona Corporation Commission (ACC) provided guidance on defining MCCCG in the context of its REST Rules and identified the MCCCG as "the Affected Utility's energy and capacity cost of producing or procuring the incremental electricity that would be avoided by the resources used to meet the Annual Renewable Energy Requirement, taking into account hourly, seasonal and long term supply and demand circumstances. Avoided costs include any avoided transmission and distribution costs and any avoided environmental compliance costs." R14-2-1801.11.

CALCULATION/METHODOLOGY

For purposes of calculating credits to the Customer for Excess Generation, the unit price paid (Credit for Excess Generation) shall be the simple average of the MCCCG over the 8,760 hours (8,784 in a leap year) hours in the forecasted year. The MCCCG in each hour is based on whether native load requirements will be met by internally owned or contracted generation resources or if market purchases will be required to meet native load requirements. The following table provides a description of the MCCCG methodology. The hourly MCCCG cost determination criteria is based on the Market Condition and Dispatch Type. This method of cost determination is very data intensive and will be calculated annually by running UNS Electric's "Planning and Risk" modeling software, and the rate will be filed with the Commission by April 1 of each year.

RATE

The Customer monthly bill shall consist of the applicable Rate charges and adjustments in addition to the Credit for Excess Generation based on the MCCCG. The MCCCG rate is an amount expressed as a rate per kWh charge that is approved by the ACC on or before June 1 of each year and effective with the first billing cycle in June, as shown in the UNS Electric Statement of Charges.

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the ACC see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: R-3
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 703-1

Superseding: _____

MCCCG Cost Determination Matrix

Market Condition and Dispatch Type					
	Selling to Market from In House Real and Contracted Generation Sources	MCCCG Cost Based on Incremental Production/Purchase Cost of Base Load Generation for that hour			
	No Market Transactions from/to In House and Contracted Generation Sources				
	Purchasing from Day Ahead Market, but not Spot Market, to meet Native Load Requirements	MCCCG Cost Based on Average Day Ahead Market Price of Purchased Power for that hour			
	Purchasing from Spot Market to meet Native Load Requirements	MCCCG Cost Based on Average Spot Market Price of Purchased Power for that hour			

Incremental Production / Purchase of Base Load - The cost of the next kWh (incremental) amount of load that has to be provided by UNS Electric generation sources and/or purchased power. This will be dependent on the season, month and time of day.

If Day Ahead Market or Spot Market purchases are being used to provide for reliability support capacity to meet native load requirements by freeing up in house or contracted generation resources for regulation or spinning reserve purposes for support of native load requirements, that would still represent a Market Purchase for purposes of determining which matrix box is applicable.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: R-3
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 704

Superseding: _____

Rider-4
Net Metering for Certain
Partial Requirements Service (NM-PRS)

AVAILABILITY

Available throughout the Company's entire electric service area to any Customer with a facility for the production of electricity on its premises using Renewable Resources¹, a Fuel Cell² or Combined Heat and Power (CHP)³ to generate electricity, which is operated by or on behalf of the Customer, is intended to provide all or part of the Customer's electricity requirements, has a generating capacity less than or equal to 125% of the Customer's total connected load at the metered premise, or in the absence of load data, has capacity less than the Customer's electric service drop capacity, and is interconnected with and can operate in parallel and in phase with the Company's existing distribution system. Customer shall comply with all applicable federal, state, and local laws, regulations, ordinances and codes governing the production and/or sale of electricity.

For purposes of this Rate, the following notes and/or definitions apply:

- ¹ Renewable Resources means natural resources that can be replenished by natural process. Renewable Resources include biogas, biomass, geothermal, hydroelectric, solar, or wind.
- ² Fuel Cell means a device that converts the chemical energy of a fuel directly into electricity without intermediate combustion or thermal cycles. The source of the chemical reaction must be derived from Renewable Resources.
- ³ Combined Heat and Power (CHP) also known as cogeneration means a system that generates electricity and useful thermal energy in a single integrated system such that the useful power output of the facility plus one-half the useful thermal energy output during any 12-month period must be no less than 42.5 percent of the total energy input of fuel to the facility.

CHARACTER OF SERVICE

The service shall be single- or three-phase, 60 Hertz, at one standard nominal voltage as mutually agreed and subject to availability at the point of delivery. Primary metering will be used by mutual agreement between the Company and the Customer.

RATE

Customer Charges shall be billed pursuant to the Customer's standard offer Rate otherwise applicable under full requirements of service.

Power sales and special services supplied by the Company to the Customer in order to meet the Customer's supplemental or interruptible electric requirements will be priced pursuant to the Customer's standard offer Rate otherwise applicable under full requirements service.

Non-Time-of-Use Rates: For Customers taking service under a Standard Retail Rate that is not a time-of-use rate, the Customer Supplied kWh shall be credited against the Company Supplied kWh. The Customer's monthly bill shall be based on this net kWh amount. Any monthly Excess Generation will be treated in accordance with the provisions outlined below.

Time-of-Use Rates: For Customers taking service under a Standard Retail Rate that is a time-of-use rate, the Customer Supplied kWh during on-peak hours shall be credited against the Company Supplied kWh during on-peak hours. All Customer Supplied kWh during off-peak hours shall be credited against the Company Supplied kWh during off-peak hours. The Customer's monthly bill shall be based on this net kWh amount. Any monthly Excess Generation will be treated in accordance with the provisions outlined below.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: R-4
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 704-1

Superseding:

EXCESS GENERATION

If for a billing month the Customer's generation facility's energy production exceeds the energy supplied by the Company, the Customer's bill for the next billing period shall be credited for the excess generation. That is, the excess kWh during the billing period shall be used to reduce the kWh supplied (not kW or kVA demand or customer/facilities charges) and billed by the Company during the following billing period. Customers taking service under a time-of-use rate who are to receive credit in a subsequent billing period for excess kWh generated shall receive such credit in the next billing period for the on-peak, or off-peak periods in which the kWh were generated by the Customer. Time-of-Use Customer's taking service in the billing month of April shall receive a credit to summer on-peak and summer off-peak usage in the billing month of May for any winter on-peak and/or winter off-peak excess generation for April.

Each calendar year, for the customer bills produced in October (September usage) or a customer's "Final" bill - the Company shall credit the Customer for the balance of excess kWhs after netting. The payment for the purchase of the excess kWhs will be at the Company's applicable avoided cost, which for purposes of this Rate shall be the simple average of the hourly Market Cost of Comparable Conventional Generation (MCCCG) Rider-3 for the applicable year. The MCCCG, as it applies to this Rate, is specified in Rider-3 MCCCG - Market Cost of Comparable Conventional Generation (MCCCG) Calculation as Applicable to Rider-4 NM-PRS (Net Metering for Certain Partial Requirements Service).

METERING

The Company will install a bi-directional meter at the point of delivery to the customer and meter at the point of output from each of the Customer's generators. At the Company's request a dedicated phone line will be provided by the customer to the metering to allow remote interregation of the meters at each site. If by mutal agreement between company and customer that a phone line is impractical or can not be provided - the customer will work with company to allow for the installation of equipment, on or with customer facilities or equipment to allow remote acces to each meter. Any additional cost of communication, such as but not limited too, cell phone service fees will be the responsibility of the customer.

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission (ACC) see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this Rate.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: R-4
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 705

Superseding: _____

Rider-5
Electric Service Solar Rider
(Bright Arizona Community Solar™)

APPLICABILITY

Rider-5 is for individually metered Customers who wish to participate in the Bright Arizona Community Solar Program. Under Rider-5, customers will be able to purchase blocks of electricity from solar generation sources. Participation in Rider-5 is limited in the Company's sole discretion to the amount of solar generation available and subscription will be made on a first come, first served basis. In order to maximize subscription under Rider-5, the Company may limit the amount of solar block energy purchased by individual Customers. Rider-5 is further restricted to Customers being served under one of the following Rates:

1. Residential Electric Service, Pricing Plan R-01(RES-TOU is not applicable)
2. Small General Service, Pricing Plan SGS-10 (SGS-TOU is not applicable)
3. Large General Service, Pricing Plan LGS (LGS-TOU is not applicable)

Customers being served under self-generation riders or plans may not purchase power under Rider-5 (including, but not limited to Net Metering for Certain Partial Requirements Service Rider-4 and Non-Firm Power Purchase from Renewable Energy Resources and Qualifying Cogeneration Facilities of 100 kilowatts (kW) or Less Capacity Rider-101).

RATE

Customers can contract for a portion or up to their average annual usage in solar blocks of 150 kilowatt hours (kWh) each. Transmission and distribution charges will be applied to all energy delivered, including energy delivered under Rider-5. The Customer is responsible for paying (each month) all charges incurred under their applicable rate schedule, and the total solar energy contracted for multiplied by the applicable solar block energy rate. Any demand based charges under the Customer's current Rate will not be affected by elections under Rider-5. No discounts specified in any of the above-listed standard offer tariffs will apply to this rate. The Rates are shown in the UNS Electric Statement of Charges.

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission (ACC) see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this Rate.

TAX CLAUSE

To the charges computed under the above Rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: R-5
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 705-1

Superseding: _____

TERMS AND CONDITIONS

1. Customers may contract for a portion or up to their average annual usage in solar blocks of 150 kWh. If Customer's annual average usage is not available, UNS Electric will apply the appropriate class average. This limit can be reviewed annually at the request of the Customer.
2. Each solar block's energy rate will be maintained for twenty years from the date of purchase. For the purposes of the twenty year energy rate, solar blocks will be attributed to the Customer's original service address. Transfer of service under Rider-5 is prohibited. Should the Customer cancel service for any reason, his or her subscription under Rider-5 will expire.
3. Customers may add or delete solar blocks once within a twelve month period. Any addition of solar blocks will be at the then offered solar block energy rate.
4. Solar blocks will be applied to the actual energy usage each month. Electricity used in excess of the purchased solar blocks will be billed at the Customer's regular energy rate. If electricity usage is below the amount covered by the solar block(s), then the excess kWhs will be rolled forward and credited again the Customer's usage in the following month. The Customer will still be responsible for the full cost of the block(s) each month.
5. Customers will be credited for the balance of any excess kWhs annually, or on their final bill should the Customer terminate service under Rider-5. Each year, for the bills produced in October (September usage), UNS Electric will credit Customers their excess kWhs after netting and reset their balance to zero. Credit for excess kWhs will be at the energy rate of the oldest solar block.
6. All contracted solar block kWhs and associated charges in a billing month will be excluded from the calculation of PPFAC and REST charges and/or credits.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: R-5
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 706

Superseding:

Rider-6
Renewable Energy Standard and Tariff (REST) Surcharge
REST-TS1 Renewable Energy Program Expense Recovery

APPLICABILITY

Mandatory, non-bypassable surcharge applied to all energy consumed by all customers throughout Company's entire electric service area.

RATES

For all energy billed which is supplied by the Company to the Customer. The REST surcharge shall be applied to all monthly bills. The REST rates are shown in the UNS Electric Statement of Charges.

Note: An industrial customer is one with monthly demand equal to or greater than 3,000 kW.

For non-metered services, the lesser of the load profile or otherwise estimated kWh required to provide the service in question, or the service's contract kWh shall be used in the calculation of the surcharge.

This charge will be a line item on customer bills reading "Renewable Energy Standard Tariff."

Per Decision No. 73638, effective March 21, 2013, any Customer who has received incentives under the REST Rules, shall pay the average of the REST surcharge paid by members of their customer class. This requirement shall apply to renewable systems reserved on and after January 1, 2012. Any Customer who has a renewable installation without incentives that is interconnected with UNS Electric's system shall pay the average of the REST surcharge paid by members of their customer class. This requirement shall apply to renewable systems reserved on and after February 1, 2013. The average price is shown in the UNS Electric Statement of Charges.

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission (ACC) see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this pricing plan.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: R-6
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 707

Superseding: _____

Rider-7
Customer Self-Directed Renewable Energy Option
REST-TS2 Renewable Energy Standard Tariff

AVAILABILITY

Open to all Eligible Customers as defined at A.A.C. R14-02-1801.H.

APPLICABILITY

Any Eligible Customer that applies to the Company under this program and receives approval shall participate at its option.

PARTICIPATION PROCESS

An Eligible Customer seeking to participate shall submit to the Company a written application that describes the Distributed Renewable Energy (DRE) resources or facilities that it proposes to install and the estimated costs of the project. The Company shall have sixty (60) calendar days to evaluate and respond in writing to the Eligible Customer, either accepting or declining the project. If accepted, the Customer shall be reimbursed up to the actual dollar amounts of customer surcharge paid under the REST-TS1Tariff in any calendar year in which DRE facilities are installed as part of the accepted project. To qualify for such funds, the Customer shall provide at least half of the funding necessary to complete the project described in the accepted application, and shall provide the Company with sufficient and reasonable written documentation of the project's costs. Customer shall submit their application prior to May 1 of a given year to apply for funding in the following calendar year.

FACILITIES INSTALLED

The maintenance and repair of the facilities installed by a Customer under this program shall be the responsibility of the Customer following completion of the project. In order to be accepted by the Company for reimbursement purposes, the project shall, at a minimum, conform to the Company's System Qualification standards on file with the Commission. (REST Implementation Plan, Renewable Energy Credit Purchase Program – RECPP, Distributed Generation Interconnection Requirements, Net Metering Tariff, Company's Interconnection Manual)

PAYMENTS AND CREDITS

All funds reimbursed by the Company to the Customer for installation of approved DRE facilities shall be paid on an annual basis no later than March 30th of each calendar year. All Renewable Energy Credits derived from a project, including generation and Extra Credit Multipliers, shall become the property of the Company and shall be applied towards the Company's Annual Renewable Energy Requirement as defined in A.A.C. R14-2-1801.B.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this Rate.

RELATED SCHEDULES

- REST-TS1 - Renewable Energy Program Expense Recovery

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: R-7
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 708

Superseding: _____

Rider R-8 Lost Fixed Cost Recovery (LFCR)

APPLICABILITY

The Lost Fixed Cost Recovery (LFCR) will be applied to all Customers taking service from the Company other than lighting as defined in the Company's LFCR Plan of Administration (POA). As provided for in the POA, in the event a residential Customer chooses to contribute to this program by paying a fixed charge option, the monthly Customer Charge specified on the appropriate Standard Offer tariff will be charged in lieu of the percentage-based rate shown in the UNS Electric Statement of Charges.

CHANGE IN RATE

The LFCR recovers a portion of the authorized margin approved in the Company's most recent rate case that has been lost as the result of implementing Arizona Corporation Commission (ACC)-mandated Energy Efficiency and Distributed Generation programs. Each year, a percentage-based rate will be placed in effect and charged to the participating Rate classes for the 12-month period the LFCR adjustment is applicable. The total year-on-year adjustment cannot exceed 1% of the Company's most recent total combined retail calendar year revenues for all participating Rate classes. The LFCR Rate is shown in the UNS Electric Statement of Charges.

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the ACC see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this Rate.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: R-8
Effective: PENDING
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 709
Superseding: _____

Rider R-9 Transmission Cost Adjustor (TCA)

APPLICABILITY

The Transmission Cost Adjustor (TCA) will be applied to all Customers taking service from the Company as defined in the Company's TCA Plan of Administration (POA).

CHANGE IN RATE

The TCA recovers the change in transmission costs resulting from the Federal Energy Regulatory Commission (FERC) approved formula rate that is updated annually in accordance with the provisions of the Company's Open Access Transmission Tariff (OATT), available through the FERC eTariff website at: <http://etariff.ferc.gov/TariffBrowser.aspx?tid=1697>. The adjustment captures the difference between the level of transmission costs approved in the Company's last rate case and the amount calculated based on the FERC-approved formula rate. The adjustment can be a charge or a credit and will be updated annually as of the date set forth in the OATT.

The TCA shall apply to all monthly bills either as a per kWh charge or as a per kW rate, depending on the Customer's effective service tariff, and is anticipated to become effective on the date the TCA is updated. The TCA Rates are shown in the UNS Electric Statement of Charges.

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission (ACC) see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

This standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this Rider.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: R-9
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 801

Superseding: _____

UNS ELECTRIC STATEMENT OF CHARGES

Fee No.	Description	Rate	Effective Date	Decision No.
1.	Service Transfer Fee	\$26.00	PENDING	PENDING
2.	Customer-Requested Meter Re-read	\$26.00	PENDING	PENDING
3.	Special Meter Reading Fee	\$26.00	PENDING	PENDING
4.	Service Establishment and Reestablishment under usual operating procedures During Regular Business Hours	\$41.00	PENDING	PENDING
5.	Service Establishment and Reestablishment under usual operating procedures After Regular Business Hours (includes Saturdays, Sundays and Holidays) – Single Phase Service	\$137.00	PENDING	PENDING
6.	Service Reestablishment under other than usual operating procedures	\$150.00	PENDING	PENDING
7.	Meter Test	\$74.00	PENDING	PENDING
8.	Returned Payment Fee	\$10.00	PENDING	PENDING
9.	Late Payment Finance Charge	1.5%	PENDING	PENDING

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: Statement of Charges
Effective: Pending
Decision No.:

Rate: Statement of Charges
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 801-2

Superseding: _____

Description	Rate	Effective Date	Decision No.
Rider R-9 – Transmission Cost Adjustor (TCA) – \$/kW charge	\$X.XX per kW	PENDING	PENDING
Transmission Cost Adjustor (TCA) – \$/kWh charge	\$X.XXXXX per kWh		

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: Statement of Charges
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 802

Superseding: _____

Bill Estimation Methodologies

UNS Electric, Inc. (UNS Electric) regularly encounters situations in which UNS Electric cannot obtain a complete and valid meter read. No matter the cause of the need to estimate the read, the following methods are used depending on the circumstances.

PREVIOUS YEAR FORMULA

SAME CUSTOMER WITH AT LEAST ONE YEAR OF HISTORY

UNS Electric would generate a bill based on customer usage from the previous year using the "PREVIOUS YEAR" formula as follows:

LAST YEAR'S USAGE FOR SAME MONTH / NUMBER OF DAYS IN BILLING PERIOD = PER DAY USAGE
(FOR "TIME OF USE" (TOU) THIS WOULD BE APPLIED TO EACH PERIOD)

PER DAY USAGE X NUMBER OF DAYS IN THIS MONTH'S CYCLE = ESTIMATED USAGE
(FOR TOU THIS WOULD BE APPLIED TO EACH PERIOD)

PREVIOUS MONTH FORMULA

SAME CUSTOMER AT SAME PREMISE WITH LESS THAN ONE YEAR OF HISTORY

UNS Electric would generate a bill based on customer usage from the previous month using the "PREVIOUS MONTH" formula as follows:

LAST MONTHS USAGE / NUMBER OF DAYS IN BILLING PERIOD = PER DAY USAGE
(FOR TOU THIS WOULD BE APPLIED TO EACH PERIOD)

PER DAY USAGE X NUMBER OF DAYS IN THIS MONTH'S CYCLE = ESTIMATED USAGE
(FOR TOU THIS WOULD BE APPLIED TO EACH PERIOD)

TREND FORMULA

NEW CUSTOMER AT SAME PREMISE

UNS Electric would generate a bill using the "TREND" formula, based on customer's usage trend as described below:

UNS Electric's customer information system (CIS) would generate a bill based on trend. Customers are assigned to a Trend area which differentiate consumption based on different geographic areas. Secondly, the customer is assigned to a Trend class which is used to differentiate consumption trends based on the type of service and type of property. An example of this would be residential, commercial, and industrial usage. Thirdly, all consumption is identified using unit of measure code and a time of use code. Within UNS Electric's CIS, a trend record is created from each billed service. This record becomes part of a trend table. During estimation, consumption from three prior bill cycles is compared to the consumption from the same cycle in the previous month to determine a trend. This trend, plus a tolerance, is used to create a usage amount for bill estimation.

CUSTOMER'S USAGE IN PREVIOUS PERIOD / AVERAGE CUSTOMER'S USAGE IN PREVIOUS PERIOD X AVERAGE CUSTOMER'S
USAGE IN CURRENT PERIOD = ESTIMATED CONSUMPTION FOR REGISTER READ

NO HISTORY

UNS Electric would not generate a bill until a good meter read was acquired then use known consumption to estimate previous bills.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: Bill Estimation - 1
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 802-1

Superseding: _____

Demand Estimate

For accounts that have a demand billing component UNS Electric collects interval data. This interval data is used to manually estimate demands using the following methodologies:

SAME CUSTOMER AT SAME PREMISE WITH AT LEAST ONE YEAR OF HISTORY

UNS Electric would generate a bill based on customer usage from the previous year using the following formula:

LAST YEAR'S DEMAND FOR SAME MONTH = ESTIMATED DEMAND

NEW CUSTOMER AT SAME PREMISE WITH AT LEAST ONE YEAR OF HISTORY

UNS Electric would generate a bill based on customer usage from the previous month using the following formula:

LAST MONTHS DEMAND = ESTIMATED DEMAND

SAME CUSTOMER AT SAME PREMISE WITH LESS THAN ONE YEAR OF HISTORY

UNS Electric would generate a bill based on customer usage from the previous month using the following formula:

LAST MONTHS DEMAND = ESTIMATED DEMAND

NEW CUSTOMER AT SAME PREMISE WITH LESS THAN ONE YEAR OF HISTORY

UNS Electric would generate a bill based on customer usage from the previous month using the following formula:

LAST MONTHS DEMAND = ESTIMATED DEMAND

NO HISTORY

UNS Electric would not generate a bill until a good demand read was acquired then use known demand to estimate previous bills.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: Bill Estimation - 1
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 803

Superseding: _____

GUIDELINES FOR ELECTRIC LOAD CURTAILMENT

INTRODUCTION

While UNS Electric, Inc. (UNS Electric) strives to provide an uninterrupted supply of electricity, conditions could exist on UNS Electric's electric power system where:

- The power supply would be insufficient to meet the electric load demands during peak period. This condition will be classified as a "Bulk Power Supply Emergency".
- The transmission delivery would be insufficient to meet electric load demands. This will be considered a "Transmission Emergency".

Should a "Bulk Power Supply Emergency" or a "Transmission Emergency" seem imminent the following steps will be implemented as appropriate.

1. Evaluate alternative power supplies or Company owned generation.
2. Call on Interruptible Customers to interrupt load.
3. Reschedule any scheduled maintenance of the transmission system.
4. Reduce all non-essential Company uses such as office lighting, electric cooling and heating, etc.
5. Contact Western Area Power Administration for possible assistance.
6. Contact Nevada Energy and Aha Macav Power Service for possible emergency assistance.
7. Reduce distribution feeder voltage up to 5%, where possible.

Should additional remedial action be warranted, UNS Electric will make a public appeal via local radio stations and television for the voluntary curtailment of electric consumption by its customers.

Should voluntary curtailment result in insufficient load reduction to mitigate the emergency, the Arizona Corporation Commission (ACC) has directed UNS Electric to institute mandatory involuntary curtailment, pursuant to ACC Decision No. 42097 and Arizona Administrative Code R14-2-208, Provision of Service, Paragraph E.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: Curtailment Plan
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 803-1

Superseding: _____

CUSTOMER LOAD DEFINITIONS

Essential Loads: Loads that are necessary to the health, safety and welfare of the public or some portion or member thereof, such as police, fire service, national defense, sewage facilities, domestic water facilities, hospitals, essential medical devices (such as iron lungs, oxygen pumps or similar uses) and where uninterrupted electric service is essential to the providing of such essential uses or services. These loads will not be interrupted unless an area needs to be dropped to maintain the stability of the electric system, or adequate on-site generation is available to cover the Essential load.

Critical Loads: That portion of the electric load of those non-residential customers which in the event of interruption of service would cause excessive damage to the equipment or material in process or perishable items or where such interruption would create grave hazards to the employee's or the public. These areas will not be interrupted unless an area needs to be dropped to maintain the stability of the electric system, or adequate on-site generation is available to cover the Critical load level.

Others: All customers not meeting the above definitions will be interrupted, with or without, notice if voluntary curtailment measures are not sufficient to alleviate the problem.

LOAD CURTAILMENT NOTIFICATION

UNS Electric's load is served primarily by Tucson Electric Power Company (TEP) under a Power Services Agreement. Energy from TEP resources is delivered to UNS Electric's load areas in Mohave and Santa Cruz Counties through the bulk power transmission system of the Western Area Power Administration (WAPA). UNS Electric's load is in the control area of TEP for Power Supply purposes and in WAPA's control area for Transmission purposes. Either control area could initiate a call for load curtailment due to a system or regional power supply or transmission emergency. Local Transmission Emergencies could occur, affecting portions of UNS Electric's service area only.

Should either voluntary or involuntary load curtailment become necessary:

1. UNS Electric's Mohave Dispatch Center will be notified of a regional curtailment emergency by either TEP's Energy Control Center or the WAPA's Transmission Dispatch Desk.
2. UNS Electric's Mohave Dispatch Center will notify Mohave Management of the nature and type of curtailment emergency.
3. Mohave Management will notify Company Management, District Operations Management and the ACC of the nature of the curtailment.
4. District Customer Service Personnel will, if time permits:
 - Notify Interruptible Customer to drop load;
 - Notify key customers of the nature of the curtailment and request voluntary load; reductions or activation of on-site generation (if any);
 - Call local radio stations to request public announcements;
 - Notify County Emergency Management, and;
 - Notify City and County Police and Fire Departments.
5. District Operations Personnel will notify supervisory and assigned staff to report to their respective duty stations.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: Curtailment Plan
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 803-2

Superseding: _____

VOLUNTARY LOAD CURTAILMENT

If conditions allow for advanced notification, UNS Electric shall evaluate activating its own generation and will ask the public for a voluntary curtailment. In addition, all Interruptible Customers and Large Load Customers will be called by pre-assigned individuals to request load interruption as provided for under the Tariff or voluntary load reduction where no tariff exists.

INVOLUNTARY LOAD CURTAILMENT

Should the voluntary curtailment result in an insufficient reduction in load, Division Operations Management will determine the amount of additional load to curtail. Blackout periods are to be approximately 30 to 60 minutes in duration.

After proper notification Division Operations Management will utilize the capabilities of the System Control and Data Acquisition System ("SCADA") and manual operation to shed load throughout the District operations areas (Kingman, Lake Havasu City and Santa Cruz) based on circuit classification, unless the emergency is of a local nature. Individual Distribution Circuits will be classified for curtailment, according to the type of customers served on that feeder, as defined in the Guide to Circuit Loading for each District.

DISTRIBUTION CIRCUIT CLASSIFICATIONS

Essential: Circuits that serve essential customers will be so identified and will not be interrupted, unless an area must be dropped to maintain electric system stability.

Critical: Circuits that serve critical customers will be so identified and will not be interrupted, unless an area must be dropped to maintain electric system stability. Critical Customers will be notified and required to curtail the non-critical portions of their load. If a customer with a critical load refuses or fails to curtail their electric consumption down to the critical load, the customer shall not be considered to have a critical load and can be curtailed 100%.

Large Load Customers:

1. Circuits that serve Large Load Customers will be so identified and will not be interrupted until proper notice is given, unless an area must be dropped to maintain electric system stability.
2. Customers, who can take 100 percent curtailment if given sufficient notice, will be rotated on the same schedule as the "Others" circuits until the emergency is terminated by UNS Electric.
3. Customers served by circuits that cannot be rotated* will be notified. They will be required to reduce their load to their pre-determined level, in a rotating order and with a frequency or repetition necessary to meet the emergency situation.

Others:

Circuits that serve all remaining customers will be so identified and rotated without notice. Rotation of these circuits will be for a duration and frequency necessary to meet the emergency situation.

Customers on a non-rotating circuit* who normally could be rotated, will be required to curtail load. If these customers do not curtail to the extent needed, UNS Electric may discontinue or disconnect service and refuse to re-establish service until after the emergency condition is terminated.

*Non-Rotating Circuits are so classified based on the specific nature of the electric distribution system or due to having critical or essential customers served by that feeder.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: Curtailment Plan
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 803-3

Superseding: _____

EMERGENCY INVOLUNTARY CURTAILMENT

In the event a major electrical disturbance threatens the interconnected Southwest system with blackout conditions or/and unexpected shortages of power that do not allow for the implementation of the Electric Curtailment Plan, emergency devices such as under-frequency/under-voltage load shedding relays will automatically shed load to maintain system stability, and the Company will resort to emergency operating procedures. These circuits will remain out of service until the Company can move from the emergency procedure to the Electric Load Curtailment Plan or the emergency is resolved.

INVOLUNTARY CURTAILMENT BY TRANSMISSION PROVIDER

UNS Electric purchases transmission service from the WAPA to deliver its power supply requirements. WAPA's Transmission Dispatch Desk would notify the UNS Electric Arizona Dispatch Center of situations on the bulk transmission system requiring load curtailment in the Company's service area.

ELECTRIC LOAD AND CURTAILMENT PLAN

A detailed electric load and curtailment plan will be kept on file with the ACC. This plan will contain specific procedures for implementation of the above, along with the name(s) and telephone number(s) of the appropriate Company personnel to contact in the event implementation of the plan becomes necessary. Updates to the plan will be filed annually or when they occur. Its amendments will become effective upon submission to the ACC.

The Company will contact the Director of the Utilities Division, or their designee, as soon as practical for any curtailment pursuant to this Tariff.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: Curtailment Plan
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 804

Superseding: _____

Rates for Power and Energy Transactions With Qualifying Facilities That Receive Full Requirements 100 kW or Less (QF-A)

AVAILABILITY

Throughout the entire area where the facilities of the Company are of adequate capacity and are adjacent to the premises. For all Qualifying Facilities (QF) that have entered into a Service Agreement with the Company.

APPLICABILITY

To all QFs with 100 kW or less operating in the Buy/Sell Mode for full requirements, supplemental power, stand-by power, and maintenance power service.

CHARACTER OF SERVICE

Electric sales to the Company must be single or three phase, 60 Hertz, at a standard voltage subject to availability at the premises. The QF will have the option to sell energy to the Company at a voltage level different from that for purchases from the Company, however, the QF will be responsible for all costs incurred to accommodate such an arrangement.

DEFINITIONS

1. Qualifying Facilities - Cogeneration and small power production facilities where the facility's generator(s) and load are located at the same premise and that otherwise meet qualifying criteria for size, fuel use, efficiency and ownership as promulgated in 18 C.F.R., Chapter I, Part 292, Subpart B of Federal Energy Regulatory Commission regulations.
2. Buy/Sell Mode of Operation - The QF's total generation output is delivered to the Company and the QF's full requirements for service are provided by the Company or no electric requirements are required by the QF.
3. Full Requirements Service - Any instance whereby the Company provides all the electric requirements of a QF.
4. Energy - Electric energy which is supplied by the QF.
5. Firm Capacity - Capacity available, upon demand, at all times (except for forced outages and scheduled maintenance) during the period covered by the Agreement from the QF with an availability factor of at least 80%, as defined by the North American Electric Reliability Council.
6. Net Energy - The total kilowatt hours (kWh) sold to the QF by the company less the total kWhs purchased by the Company from the QF.
7. Supplemental Power - Electric capacity and energy supplied by the Company regularly used by the QF in addition to that which the facility generates itself.
8. Stand-by Power - Electric capacity and energy supplied by the Company to replace energy ordinarily generated by a facility's own generation equipment during an unscheduled outage of the facility.
9. Maintenance Power - Electric capacity and energy supplied by the Company during scheduled outages of the QF.
10. Purchase Agreement - Agreements for the purchase of electric energy and capacity from and the sale of power to the QF entered into between the Company and QF.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: QF-A
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 804-1

Superseding: _____

Net Bill method:

The kWhs sold to the Company shall be subtracted from the kWhs purchased from the Company. If the calculation is positive, the Net Energy kWhs received from the Company will be priced at the applicable Electric Rate under which the QF would otherwise purchase its full requirements service. If the calculation is negative, the Net Energy kWhs delivered to the Company will be priced at the purchase rate shown below.

RATES FOR SALES TO QFs The rates and billings for sales of energy and capacity to the QF shall be billed pursuant to the Customer's standard offer tariff otherwise applicable under full requirements service.

RATES FOR PURCHASES FROM QFs

Customer charges shall be billed pursuant to the Customer's standard offer tariff otherwise applicable under full requirements of service.

Rates for Energy purchased from the QF shall be priced at short-run avoided cost.

Rates for Firm Capacity purchased from the QF shall be priced at avoided cost based upon deferral of capacity additions indicated in Company's resource plan.

ADJUSTMENTS

Purchased Power Fuel Adjuster Clause (PPFAC) is a per kWh monthly adjustment in accordance with the PPFAC Rider No. 1. The PPFAC reflects increases or decreases in the cost to the Company of energy either generated or purchased above or below the base cost per kWh sold. See Rider-1 for current rate.

CONTRACT PERIOD

As provided for in the Service Agreement.

TERMS AND CONDITIONS

Subject to:

The Service Agreement, and

A delayed payment charge as stated in the general rules and regulations will be applied to account balances carried forward from prior billings.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: QF-A
Effective: Pending
Decision No.:

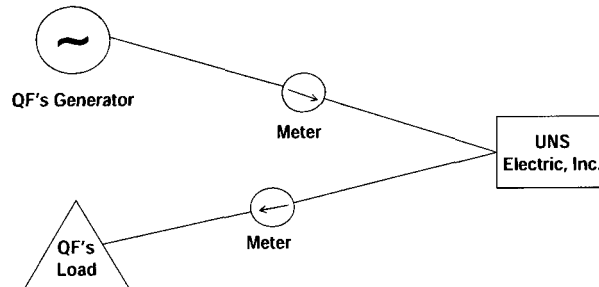


UNS Electric, Inc.

Original Sheet No.: 804-2

Superseding: _____

METER CONFIGURATION



UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission (ACC) see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this Rate.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: QF-A
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 805

Superseding:

Rates for Power and Energy Transactions With Qualifying Facilities That Receive Partial Requirements 100 kW or Less (QF-B)

AVAILABILITY

Throughout the entire area where the facilities of the Company are of adequate capacity and are adjacent to the premises. For all Qualifying Facilities (QF) that have entered into a Service Agreement with the Company.

APPLICABILITY

To all QFs with 100 kW or less operating in the Partial Requirements Mode for partial requirements, supplemental power, stand-by power, and maintenance power service.

CHARACTER OF SERVICE

Electric sales to the Company must be single or three phase, 60 Hertz, at a standard voltage subject to availability at the premises. The QF will have the option to sell energy to the Company at a voltage level different from that for purchases from the Company, however, the QF will be responsible for all costs incurred to accommodate such an arrangement.

DEFINITIONS

1. Qualifying Facilities - Cogeneration and small power production facilities where the facility's generator(s) and load are located at the same premise and that otherwise meet qualifying criteria for size, fuel use, efficiency and ownership as promulgated in 18 C.F.R., Chapter I, Part 292, Subpart B of Federal Energy Regulatory Commission regulations.
2. Partial Requirements Mode of Operation - A QF's generation output first goes to supply its own electric requirements with any excess energy (over and above its own requirements) then being sold to the Company. The Company supplies the QF's electric requirements not met by the QF's own-generation facilities. This also may be referred to as the "parallel mode" of operation.
3. Energy - Electric energy which is supplied by the QF
4. Firm Capacity - Capacity available, upon demand, at all times (except for forced outages and scheduled maintenance) during the period covered by the Agreement from the QF with an availability factor of at least 80%, as defined by the North American Electric Reliability Council.
5. Net Energy - The total kilowatt hours (kWh) sold to the QF by the company less the total kWhs purchased by the Company from the QF.
6. Supplemental Power - Electric capacity and energy supplied by the Company regularly used by the QF in addition to that which the facility generates itself.
7. Stand-by Power - Electric capacity and energy supplied by the Company to replace energy ordinarily generated by a facility's own generation equipment during an unscheduled outage of the facility.
8. Maintenance Power - Electric capacity and energy supplied by the Company during scheduled outages of the QF.
9. Purchase Agreement - Agreements for the purchase of electric energy and capacity from and the sale of power to the QF entered into between the Company and QF.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: QF-B
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 805-1

Superseding: _____

RATES FOR SALES TO QFs

The rates and billings for sales of energy and capacity to the QF shall be billed pursuant to the Customer's standard offer tariff otherwise applicable under full requirements service.

RATES FOR PURCHASES FROM QFs

Customer charges shall be billed pursuant to the Customer's standard offer tariff otherwise applicable under full requirements of service.

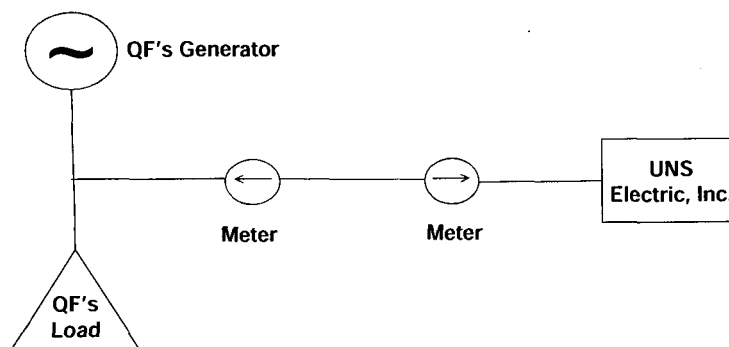
Rates for Energy purchased from the QF shall be priced at short-run avoided cost.

Rates for Firm Capacity purchased from the QF shall be priced at avoided cost based upon deferral of capacity additions indicated in Company's resource plan.

ADJUSTMENTS

Purchased Power Fuel Adjuster Clause (PPFAC) is a per kWh monthly adjustment in accordance with the PPFAC Rider No. 1. The PPFAC reflects any increases or decreases in the cost to the Company of energy either generated or purchased above or below the base cost per kWh sold. See Rider-1 for current rate.

METER CONFIGURATION



CONTRACT PERIOD

As provided for in the Service Agreement.

TERMS AND CONDITIONS

Subject to:

The Service Agreement, and

A delayed payment charge as stated in the general rules and regulations will be applied to account balances carried forward from prior billings.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: QF-B
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 805-2

Superseding: _____

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission (ACC) see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this Rate.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: QF-B
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 806

Superseding:

Rates for Power and Energy Transactions With Qualifying Facilities That Receive Optional Service Over 100 kW (QF-C)

AVAILABILITY

Throughout the entire area where the facilities of the Company are of adequate capacity and are adjacent to the premises. For all Qualifying Facilities (QF) that have entered into a Service Agreement with the Company.

APPLICABILITY

To all QFs with over 100 kW operating in the Partial Requirements Mode for partial requirements, supplemental power, stand-by power, and maintenance power service.

CHARACTER OF SERVICE

Electric sales to the Company must be single or three phase, 60 Hertz, at a standard voltage subject to availability at the premises. The QF will have the option to sell energy to the Company at a voltage level different from that for purchases from the Company, however, the QF will be responsible for all costs incurred to accommodate such an arrangement.

DEFINITIONS

1. Qualifying Facilities - Cogeneration and small power production facilities where the facility's generator(s) and load are located at the same premise and that otherwise meet qualifying criteria for size, fuel use, efficiency and ownership as promulgated in 18 C.F.R., Chapter I, Part 292, Subpart B of Federal Energy Regulatory Commission regulations.
2. Partial Requirements Mode of Operation - A QF's generation output first goes to supply its own electric requirements with any excess energy (over and above its own requirements) then being sold to the Company. The Company supplies the QF's electric requirements not met by the QF's own-generating facilities. This also may be referred to as the "parallel mode" of operation.
3. Energy - Electric energy which is supplied by the QF.
4. Firm Capacity - Capacity available, upon demand, at all times (except for forced outages and scheduled maintenance) during the period covered by the Agreement from the QF with an availability factor of at least 80%, as defined by the North American Electric Reliability Council.
5. Net Energy - The total kilowatt hours (kWh) sold to the QF by the company less the total kWhs purchased by the Company from the QF.
6. Supplemental Power - Electric capacity and energy supplied by the Company regularly used by the QF in addition to that which the facility generates itself.
7. Stand-by Power - Electric capacity and energy supplied by the Company to replace energy ordinarily generated by a facility's own generation equipment during an unscheduled outage of the facility.
8. Maintenance Power - Electric capacity and energy supplied by the Company during scheduled outages of the QF.
9. Purchase Agreement - Agreements for the purchase of electric energy and capacity from and the sale of power to the QF entered into between the Company and QF.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: QF-C
Effective: Pending
Decision No.:



UNS Electric, Inc.

Original Sheet No.: 806-1

Superseding:

RATES FOR SALES TO QFs

Supplemental Service:

- A. Service Charge - The service charge shall be the basic service charge using the otherwise applicable retail Rate.
- B. Energy Charge - The energy charge shall be the energy charge using the otherwise applicable retail Rate.
- C. Demand Charge - The demand charge shall be the demand charge using the otherwise applicable retail Rate and it shall apply only to supplemental power and not to total requirements.

Standby Service:

- A. Service Charge - The service charge shall be the basic service charge using the otherwise applicable retail Rate.
- B. Energy Charge - The energy charge is \$0.045 per kWh per month.
- C. Demand Charge - The demand charge shall be the product of \$27.83 per kW per month and the probability (*) that the QF has an unscheduled outage at the time of the company's peak.

(*) This value is initially set at ten percent (10%) for the first year and reset annually based upon actual experience with the QF.

Maintenance Service:

- A. Service Charge - The service charge shall be the basic service charge using the otherwise applicable retail Rate.
- B. Energy Charge - The energy charge is \$0.045 per kWh per month.
- C. Maintenance Service - Must be scheduled with the Company and may only be scheduled during the period October through April.

Only one service charge will be applied for each billing period.

RATES FOR PURCHASES FROM QFs

Customer charges shall be billed pursuant to the Customer's standard offer tariff otherwise applicable under full requirements of service.

Rates for Firm Capacity purchased from the QF shall be priced at long-run avoided cost based upon deferral of capacity additions indicated in Company's resource plan.

Rates for capacity associated with Firm Capacity shall be as provided for in the Service Agreement.

ADJUSTMENTS

Purchased Power Fuel Adjuster Clause (PPFAC) is a per kWh monthly adjustment in accordance with the PPFAC Rider No. 1. The PPFAC reflects any increases or decreases in the cost to the Company of energy either generated or purchased above or below the base cost per kWh sold. See Rider-1 for current rate.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: QF-C
Effective: Pending
Decision No.:

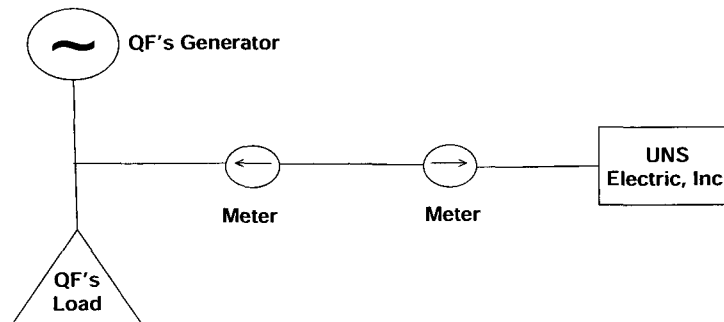


UNS Electric, Inc.

Original Sheet No.: 806-2

Superseding: _____

METER CONFIGURATION



CONTRACT PERIOD

As provided for in the Service Agreement.

TERMS AND CONDITIONS

Subject to:

The Service Agreement, and

Shall be interconnected with and can operate in parallel and in phase with the Company's existing distribution system. The Interconnection must comply with the Company's interconnection requirements, and

Shall take service as a Primary Service and Metering Customer (the Company shall not provide voltage transformation on the customer's premise).

A delayed payment charge as stated in the general rules and regulations will be applied to account balances carried forward from prior billings.

UNS ELECTRIC STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission (ACC) see the UNS Electric Statement of Charges which is available on UNS Electric's website at www.uesaz.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this Rate.

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: QF-C
Effective: Pending
Decision No.: